THE FINANCIAL POST

The Canadian Newspaper for Investors

VOL. XIII. SINGLE COPIES, 10 CENTS — PUBLICATION OFFICE: TORONTO, DECEMBER 6, 1919 — ANNUAL SUBSCRIPTION $3.00. No. 49

LIBERAL PARTY ADOPTS POLICY OF CONSERVATISM

Will Appeal to the Solid Elements as Against Farmers

UNIONISTS AROUSED

Government Laying Plans to Put Its Record Before the People as the Basis of Appeal for Another Term

By Resident Representative.

OTTAWA.—Representatives of the Liberal party from all parts of Canada met at the capital this week, in pursuance of an arrangement made at the Liberal convention last August; and the attitude they took in their deliberations as to the future of the party is not without interest to business men. The Liberals now look upon themselves somewhat in the light of what the Senate was recently described by one of its members as being: "the bulwark of vested interests against the clamor of the mob."

The Liberals who were present at this conference assume that the present Government will be defeated when it goes to the country. If this is an unwarranted assumption, it may at least be said that it is shared by a great many people, including some of the members of the administration. It is held so commonly that it may be stated here without any suspicion of party bias. The fact that the Government has become so largely Conservative in its make-up, and that there is no Conservative party or organization apart from it, means that its sins of omission and commission would have to be shouldered by the Conservative party. All things considered, therefore, the Liberals assume that opinion in the country is that the Conservatives have very little hope of being in control of the Government of Canada in the near future.

Under such circumstances, they believe that to the solider elements in the country—the business men, the financial interests, the manufacturers, and men of a conservative cast of thought generally—there is only one course. They must support the Liberal party, no matter what their previous political affiliations may have been, lest a worse thing should befall them. The party of Fielding, Mackenzie, Gouin, John Oliver, and other conservatively inclined Liberals throughout Canada, will look better to them than the combination of Farmers, Labor, and Soldiers which is gaining in strength and will dispute with the two old parties for the ascendancy in the next Parliament.

A "Conservative" Policy

It was with this in mind that the Liberals at their recent meeting decided to plough a straight Liberal furrow in the country hereafter, having no affiliations with any of the new elements. They will put a straight Liberal candidate in the field in every constituency, will have no saw-offs with any party, and will fight hard for their own hand. Their belief is that by so doing they will attract to themselves all the solider elements in the country, including men who may not be much enamored of Liberal doctrines or history, but will say to themselves: "Well, we at least know what the worst would be with the Liberals in power; but with the Farmers or Labor there is no knowing where we might be led."

They assume that what the stable interests of the country desire above everything else is the continuance of that very stability. If the tariff must be revised and come down, it would be better to have it gently pared in the Fielding fashion than torn down regardlessly in the way which Hon. Mr. Crerar and the farmer leaders of Ontario would advocate; and they realize that during the time they were in power the Liberals never did anything which could seriously injure the stability of business in Canada.

Unionists Aroused

Meanwhile, the Unionists are beginning to realize that they must start to ok after their political fences. They so propose to spend more time in the untry and less time abroad, and to

Continued on page 9.

DIVIDEND COMING?

Street Hears Montreal Tramways is Planning One

By Resident Representative.

MONTREAL.—The sudden demand for Montreal Tramways stock this week, when the price jumped from 136 to 150 by Friday morning, is due to a belief that some action is under consideration in regard to resuming dividends. In August, 1917, the regular ten per cent. rate was discontinued, and now there is nearly 25 per cent. in arrears owing. This will be paid back in time as new contract provides for enough to permit of of this.

CONTROVERSY RE WHEAT POLICY IS WAXING WARM

The Winnipeg "Telegram" Throws Hot Shot Into Farmer Ranks

Council of Grain Exchange Has No Statement for Present

This Regina correspondent of THE FINANCIAL POST *having reported—see article page 2—that action taken by the Saskatchewan Co-Operative Elevator shareholders favoring national marketing wheat was the beginning of a fight against the established grain exchanges, our Winnipeg representative was asked to endeavor to secure a statement from the officers of the exchange in that city. He wiress*

WINNIPEG.—The Grain Exchange Council, through Secretary Robert Magill, refuses to make statement until situation takes more definite shape. The council denies responsibility for scathing editorial in Thursday night's "Telegram" as follows:

"The Canadian Agricultural Council had a beautiful dream last June of nationalization of the wheat crop. Maharg and cohorts secured inferential endorsement of it last week when they stampeded the Saskatchewan Elevator Company into passing a resolution asking for national handling of future crops. Yet it is just the attempt made at practical application of that dream that has cost Canadian farmers a dollar a bushel or thereabouts, till the United States embargo was lifted. That plan having caused irretrievable loss to the farmers, is it any wonder that Crerar and friends are making a big noise about the tariff and anything to keep attention away from the future of the wheat pool? If concentrated effort is made along the right course, the raising of the American embargo will be a great benefit in relieving railways and drawing wheat southwards to improve the exchange rate."

AMERICAN BOUGHT EASTERN PULP MILL

Extensions of McLeod Plant Near Liverpool, N.S., Are Being Planned

By Special Representative.

HALIFAX.—The sale of the McLeod mills on the Mersey river, near Liverpool, N.S., is announced. The purchaser is stated to be B. J. D. Barnjum, but it is generally known that Mr. Barnjum was acting for American interests. The McLeod company was organized some years ago by J. R. McLeod, of the firm of F. B. McCurdy and Company. Mr. McLeod and associates purchased from the originators of the enterprise on the Mersey and added substantially to the plant and equipment. The entire output during this year has been taken by one of the large New York newspapers, the *Times* it is said. It is the intention of the new purchasers to make considerable extensions, and to ensure a full supply of raw material for the mills a large additional tract of woodland on the south shore has been acquired.

Steel from the Nova Scotia Steel and Coal Company is coming into the Toronto district, and it is helping out appreciably in places where the supplies from United States have been cut off, the Scotia plant having the only plate rolling capacity of any of the basic plants represented in Canada.

LEVERHULME SEES SOUND BUSINESS FOR SEVEN YEARS

World Needs Will Assure Eager Markets, That Mean Prosperity

POSITION OF LABOR

Must Be No Decrease in Wages—Lower Production Costs Will Assure Sound Future

Lord Leverhulme is confident that the business world is not facing any period of depression for some time at least. Speaking to a representative of THE FINANCIAL POST, he stated that he was an incurable optimist on this subject, and could see an era of assured prosperity for five to seven years. The world, he argued, needed goods, and the shelves of the world were bare. There was need for every manner of commodity, and conditions were such that these commodities would be purchased at any price till reserve stocks were again restored.

"Following this period," he continued, "prosperity is contingent on two factors, a maintenance of wages and a lowered cost of production." Any tendency to lower wages would be a catastrophe and bring about the very condition of affairs most to be feared. If men are out of work, then labor prices will decline and a period of depression will unquestionably follow. But if the laborer's dollar can be given a larger buying power than it has at present, then there will be a continuance of prosperity. This can only be achieved by maintaining the present wage scale and lowering the production cost, which will mean cheaper goods.

"There are some elements in labor that consider a redistribution of wealth the way to solve the difficulty, but it isn't. A man can't lift the mortgage on his home by rearranging the furniture. The only remedy is greater production, that even with high labor costs will mean lower prices and better general conditions. Only so can the laborer benefit himself, for he is the largest purchaser of everything, and it is only by lowering costs, that can be best done by encouraging production, that his position can be bettered.

Lord Leverhulme is not inclined to think that the present financial condition of the British Empire is dangerous. The debt in this war, he stated, is ten times what it was in the Napoleonic wars, but no one would be foolish enough to imagine that the resources of the Empire are far more than ten times as great. And as prosperity followed the former war, there is no good reason why it should not also follow this.

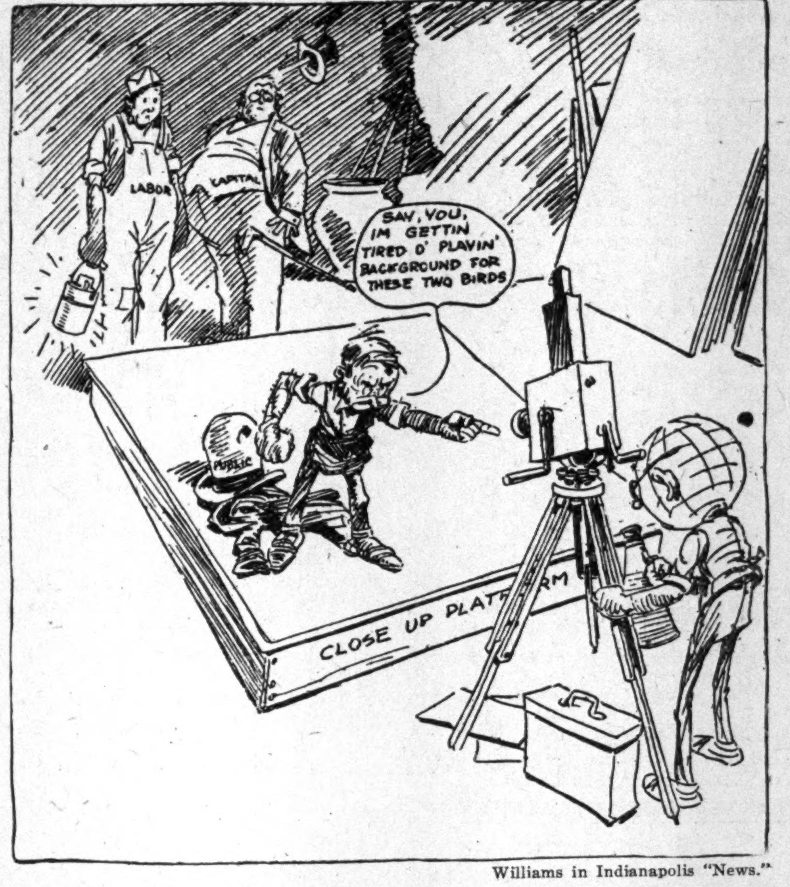
FOR UNION WITH INDIES

Greater Preferential Tariffs Called For By Mr. Macaulay

Confederation or commercial union? If Canada is to effect closer relations with the West Indies what form should these closer relations take? On another page, Harry J. Crowe, who is working for a union of British North America, gives the arguments in favor of political federation. Speaking in Montreal on Thursday afternoon, T. B. Macaulay, president of the Sun Life of Canada, took a stand for commercial union, preferential tariffs and closer business relations. He did not think the time was ripe for a political union.

Mr. Macaulay referred to the present preferential agreement of twenty per cent. between Canada and the British West Indies. It had been beneficial, but not sufficient. He quoted tables showing that for every dollar's worth of goods the United States purchased from British Guiana, Guiana bought from the U.S. $7.27, and for every dollar Canada purchased she bought 41 cents. Canada's trade, therefore, could be increased for the United States in supplying a large quantity of goods which could go from Canada. Canada is also buying from the United States, goods which the British West Indies could supply. Results attained from the present agreement show Canada was sure of a market in the West Indies for flour and the West Indies a market for sugar in Canada.

HE'LL TELL THE WORLD



Williams in Indianapolis "News."

Business Must Be Relieved from Excess Profit Taxes

IN his comprehensive message referring to conditions in the United States this week one of the most vital points dealt with from the financial standpoint by President Wilson had to do with the excess profits tax, and late reports from Wall Street state that the Stock Exchange is beginning to reflect hope that something may be done to remove this burden of business. The same problem, as applied to Canadian trade and industry, was referred to by Sir Vincent Meredith in his annual address to the shareholders of the Bank of Montreal, when he said that "Unless this impost is speedily reduced or abandoned altogether we cannot meet unencumbered competition on equal terms. Furthermore, enterprise and expansion are stifled and foreign establishments deterred from entering the Canadian industrial field."

In demanding the complete abolition of this form of taxation, the *Wall Street Journal* says:—

> Under the stress of war it was necessary that production of all essentials should be stimulated to full capacity. There are no two plants in the country whose production costs are the same. Some are so situated and managed that they have a low cost of production; some produce at a high cost; there are others that in normal times might run at a bare profit or possible loss. Yet the goods from all were needed. To stimulate the unprofitable and less profitable plants to greater production much higher prices were allowed.
>
> Of course the lower cost plants would make greater profits. They would profiteer! Therefore, they were to be cured by governmental profiteering upon them. The theory of the excess profits tax was that all extra profits could be drawn into the national treasury and a high production of essential goods maintained. The originators of this montrosity forgot the story of the philosopher, who, wishing to get over a rail fence, thrust his fingers into his bootstraps and pulled with all his might. He didn't get over the fence, but pulled out his bootstraps.
>
> That is about the way the excess profits tax has worked. It has helped to create and bolster up an abnormal price level for all commodities. Profiteering upon those who would profiteer is no remedy for present conditions. Turning a huge vampire loose upon industry only weakens it when the country needs that industry should be strengthened. Even taxes depend upon the vitality of industry.
>
> The price level has been increased more than 100% since this thing came into existence. It has helped to raise the price of everything the people eat, wear or use. It is one of the strongest supports of a condition that is taking billions of dollars from the earnings of the people without any return under the guise of "high cost of living." It is no less than a highway robber, robbing the people, robbing the Government.

RETRENCHMENT MUST NOW BE THE ORDER OF THE DAY AT THE CAPITAL

There Will Be Other Domestic Loans and Proportions Will Depend Upon Government's Financial Administration

By Resident Representative.

OTTAWA.—Whether there will be further Victory Loans in Canada or not is beside the question. That there will be further Government borrowing in the home market appears to be inevitable. The Government's program and the fact that foreign markets are not favorable are facts which must be faced. The extent of the borrowing necessary will, however, depend very largely upon the extent to which retrenchment can be carried out at Ottawa. The holders of the national purse strings must change their ways if Canada is to successfully bear the burden of the debt of war.

When Sir Thomas White, late Finance Minister, was called to give evidence regarding the financial position of Canada, he said that, while he did not regard the position as critical, it was "inevitably and necessarily such as to call for serious consideration because of five years' war expenditure," and that a very careful handling of our expenditures would be necessary for the next few years. He added that, in his opinion, retrenchment would become the policy of all governments that have been engaged in the war, and that "retrenchment would become an issue." His successor, Sir Henry Drayton, in commenting on the extraordinary success of the Victory Loan which has just been floated, said: "Now that the loan is over and the money raised, it becomes the duty of the Government to see that it is properly applied to the purposes for which it was raised, and that all due and proper economies be exercised in carrying out the government of our country." He added: "The homely virtues of work and thrift are all that Canada to-day needs, and it is the duty of the Government to the greatest extent possible to apply these in the conduct of our business."

The Financial Program

This is plain speaking; those are necessary words. Retrenchment, as

Continued on page 16.

CANADIAN STEEL STOCKS PASSED AN ACTIVE WEEK

General Market Held Well in View of the Coal Situation

OUTLOOK UNCERTAIN

Coal Supply a Big Factor in Industrial Situation—Bond Market Opens Up With Strong Tone

The Canadian markets have performed well during the week in the face of the uncertain conditions prevailing, particularly in relation to the coal situation. The steel stocks have been popular, but there appears to be a difference of opinion as to whether this is the result of the developments with regard to Dominion Steel and the other big companies or whether the outlook for the general consumption of steel products is more settled. In the American markets uncertainty has prevailed, and the establishment of lower rates for money has not had the effect of offsetting the influences of the coal strike.

The coal situation may be regarded as perhaps the chief factor in the immediate industrial situation in North America. Little improvement has yet been noted and there seems to be more than a probability of a long-drawn-out fight between the labor organizations and the Government. On the other hand there seems to be also a growing feeling that a crisis affecting such a large portion of the population cannot be allowed to continue.

The coal strike may provide an opportunity for studying how powerful is the effect of public opinion, and how far the people will support a strike which affects the community even more than employees. If there is a real coal shortage many people who are not interested in the strike stand to gain nothing by it will be made to suffer. In fact it is conceivable that an issue might be raised whether one section of the community which produces foodstuffs or clothing should supply their products to another section which normally provides fuel, when that section refuses to carry out its part of the arrangement. In a strike in which capital only is affected, public opinion is usually with the men, but when the production of a commodity absolutely necessary to the welfare of the community is seriously curtailed it may well be another matter.

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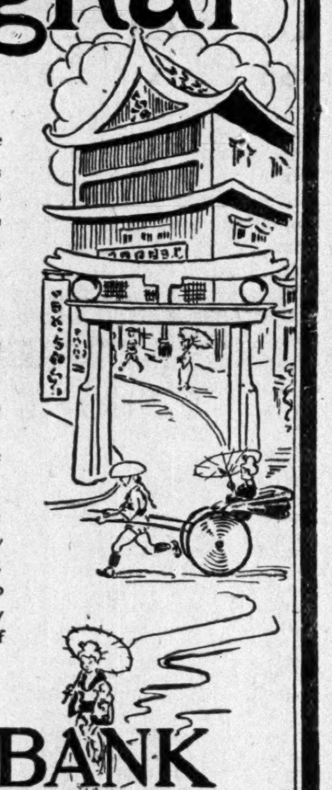

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FARMERS OF WEST START A CAMPAIGN ON THE EXCHANGE

Significance of Resolution by Co-operative Elevator Shareholders

NATIONAL MARKETING

Favor Similar Body to Canadian Wheat Board With Adequate Representation of Farmers' Interests

By Special Representative.

REGINA. — Very significant to those who are following the trend of the new political group formed by the organized farmers of the West, was the decision reached at the ninth annual meeting of the Saskatchewan Co-operative Elevator Company, to abolish speculation in grain trading by the substitution of a system of national marketing. The history of this company—the largest elevator concern in the world, and owned by the farmers of Saskatchewan to the number of 21,032—which was founded in 1911 and began business with 46 elevators, owned by 2,580 shareholders, reads like a business romance.

The company now owns 316 elevators throughout the province, which last year handled 20,883,138 bushels—of this, 95.8 per cent. was also handled by the commission department of the company, and over 50 per cent. through the terminal plant at Fort William, where a total storage space is owned by the farmers, or is under construction, of 5,250,000 bushels. The profits last year were $193,599, enabling a dividend of eight per cent. to be paid and a large addition to be made to the reserve fund, which is now over a million dollars.

These figures show the strength of the company which was started in 1911 under a very heavy load of debt, for the Provincial Government, by special act of the Legislature, undertook to advance 85 per cent. in cash of the stock notes, conditional on the remaining 15 per cent. having been paid. The experiment, however, proved entirely successful from the beginning, until to-day, outside of the railways, the company is the largest single industry in the province. It owes its creation to the Saskatchewan Grain Growers' Association, which influenced the Legislature into making the cash advances necessary to operate on a large scale. The president, John A. Maharg, is also president of the Saskatchewan Grain Growers' Association. More important still, he is a member of the Canadian Council of Agriculture, which drafted the political platform to which all those who desire the measure which that platform stands for, are invited to support.

To Fight Grain Exchange

The resolution passed unanimously was to the point: "Resolved, that we favor the national marketing of our grain through a body similar to the Canadian Wheat Board, on which the farmers shall have adequate representation."

Many speakers took part in the discussion, and all of them condemned the grain exchanges as unnecessary. It was pointed out over and over again that the grain exchange operators were middlemen who could be eliminated with profit to both the producer and the consumer. It was referred to as the "octopus which we have been for years trying to get rid of. Now we are quit of it. thanks to the Canadian Council of Agriculture, which brought the Canadian Wheat Board into being through its influence with the Dominion Government, and let us stay quit of it for good."

The passage of the resolution simply marks the first step in adding a plank to the political platform of the new political movement, headed by the Canadian Council of Agriculture, to advocate a change in the grain marketing system when the new movement is in a position to exert control in Dominion affairs. The greatest fight in the history of the grain trade is promised.

Flour Mill Projected

The principle of the company building a large flour mill was endorsed, athough no action taken. Little extension to the company's 316 elevators is likely within the next year as figures submitted to the meeting showed that it now costs $15,000 to erect an elevator. which, before the war, cost $8,400 to build.

A MILLION SNUBBED

Lies Unclaimed in Vaults of United States Treasury

Somebody has snubbed a million dollars. The million lies in the vaults of the U.S. Treasury Department waiting for somebody to come and collect it. It represents the principal and accumulated interest on many varieties of Government securities—some issued even before the Civil War, but most of them since. The date of maturity is past and gone long ago and interest has ceased to accrue.

Some of them probably have been lost in fires or otherwise, but Treasury officials think that if everybody in America would go through old papers, handed down from grandfathers and great-uncles, most of the securities would show up.

When securities are burned or torn up by the baby, their owners usually get very busy. And if they can conclusively prove that their securities were destroyed, the Treasury Department pays up. In cases, however, where there is reasonable doubt about the destruction of bonds or other securities, congressional action is required before the owner can be reimbursed. This was true when the Titanic went down. That ill-fated ship carried government bonds, but positive proof of their destruction could not be given. And so Congress provided relief for the owners.

WHY FARMERS WOULD RESTRICT SHIPMENTS

Open U.S. Market so Long Demanded to be Reached Through Wheat Board

By Special Representative.

REGINA.—In view of the fairly general protest on the part of Western Canadian farmers at not being allowed to sell wheat in the United States, the resolution passed by the shareholders of the Saskatchewan Co-operative Elevator Company that the export of Canadian wheat in carload lots across the international boundary for sale in the United States be not permitted, needs some explaining. The delegates who passed it represented over 20,000 farmer shareholders, the majority of whom it is safe to assume have made loud complaint at not being allowed to ship across the line.

The motive behind the resolution is simply this, that the delegates want the Canadian Wheat Board. which has the selling of the wheat crop of Canada in its hands, to make a big success of the work. If farmers were allowed to ship across the line a large amount of wheat would pass beyond the control of the Wheat Board, which would be handicapped in its work of disposing of the crop on a national scale to foreign countries. The farmers are anxious that the Board should be successful, because a permanent system of national selling of the crop instead of through grain operators on grain exchanges is favored.

TO DEAL WITH U.S. CREDITS TO EUROPE

Membership of National Committee on European Finances is Announced

WASHINGTON.—Organization of the National Committee on European Finance, to study definite plans for supplying the necessary long time credit for Europe's purchases in the United States, has been announced. This Committee is appointed by the Chamber of Commerce of the United States following the recommendation of the Committee on Credit and Finance of the recent International Trade Conference at Atlantic City. At that conference representatives of American business, industry and banking conferred with unofficial representatives from England, France, Belgium and Italy on the commodity and credit needs of their respective countries.

Organization of this committee is believed to be a step toward the solution of the most important peace-time financial problems which have ever confronted a nation. The task before the committee is to devise ways and means for speeding up a return to normal in the trade relationships between the United States and Europe. Leading business men believe that only by the full co-operation of the investing public and all the commercial, industrial and financial interests throughout the entire United States can this task be performed.

The chairman of the new body is Harry A. Wheeler, vice-president of the Union Trust Company of Chicago; Mr. Wheeler was the first president of the Chamber of Commerce of the United States. The chairman of the Executive Committee is James S. Alexander, president of the National Bank of Commerce in New York. The membership has been drawn from among men of experience in all the various lines of business activity and important affairs of the nation and is representative of all sections of the country, among them being: Henry P. Davison, Homer L. Ferguson, Myron T. Herrick, Charles E. Hughes, Alfred E. Marling, William Fellowes Morgan, William C. Redfield, Charles H. Sabin, Charles M. Schwab and former president William H. Taft.

U.S. MARKET TO AFFECT PRICE OF WHEAT HERE

An Advance Likely as Result of Removal of Restrictions

POSITION OF MILLS

Complications Must be Faced by Flour Manufacturers and the Outlook is Very Uncertain

By J. L. RUTLEDGE,
Editor "Canadian Grocer."

The lifting of the embargo on imports of wheat and wheat products into the United States, a change that becomes effective on the fourteenth of this month is a matter that is giving rise to a good deal of speculation. Just what effect is it likely to have on the Canadian milling business? This is a difficult question to answer because there is a good deal of uncertainty as to what part of the Canadian crop yet remains to be handled. It is estimated, however, that only about two-thirds of the crop has been moved east, and that there is at least 35,000,000 bushels yet to be moved. This slow movement of wheat toward the eastern seaboard is one of the serious factors to be considered in dealing with any influence that this change in the American Government's policy may have on the Canadian milling situation.

With the lake movement practically at an end it is a long haul with grain to Eastern elevators, and a comparatively short haul across the line to the American mills. Moreover, foreign cars would doubtless be released for this traffic where they would not be for the long haul East That and the enticing prices of the United States market makes it a consideration with the Western grain grower, though there are those among them who have found the Canada Wheat Board system so satisfactory that they do not want anything to be permitted to interfere with it, and are consequently opposing any private producer shipping across the line in car lots. How widespread such a feeling is, however, remains to be seen.

The American Demand

Then there is the other factor, that of the American buying demand. Prices have risen to such a pitch, a price of $3 to $3.10 for No. 1 northern, that the American mills are eager to find some measure of relief, and they feel that buying on the Canadian market will not only provide them with grain at a lower figure but will at the same time have a tendency to depress the American market to somewhat nearer the Government price. A still more important factor, however, is the actual need of a strong wheat to provide the necessary quality for their flour. The partial failure of the crop in the Northern states left the United States very ill-provided in this regard, and therefore Canada's strong No. 1 northern will be in great demand for mixing with the weaker flours of other sections of the States.

With these considerations to be faced it is questionable just how serious an effect this will have on the Canadian business. It is not known just what proportion of the remainder of the crop has been actually purchased by the Canada Wheat Board. If there is any large proportion, and if it is under contract to the British Government, the mills will be pretty well assured of business. If it is not, it looks as though the Canadian mills would have to get on an even basis with those of the United States in the matter of price and bid for the available stocks. If this is the result it is hardly likely that it will have any effect in decreasing the cost of American wheat, while the probability of it enhancing the price of Canadian wheat is very strong.

Mills in Awkward Position

Canadian mills are not in a very happy position; they are not permitted to have more than a month's supply, so there is not much hope of sufficient wheat being controlled by private concerns to affect the situation. If the export from Canada were restricted to flour all would be well, for it would be an item of Canadian business to offset an adverse exchange, while the roughage of the wheat so essential for the development of Canadian industries would be retained in the country. If, on the other hand American mills are permitted to purchase large quantities of wheat in Canada. it not only means idle Canadian mills. but the loss of the wheat offals that will probably be resold to Canada at greatly enhanced prices with all that such a vicious circle entails of higher prices for cattle and hogs and poultry and milk, to say nothing of the danger that faces these industries owing to the demands for lower prices by the public, and the climbing prices for the products of production.

The situation as a whole is one fraught with a good many possibilities, and none of them seem to offer any likelihood of profit to anyone but the farmer, and for this profit to the farmer the consumer must most unquestionably pay.

BUYING RUMANIAN OIL

Standard Oil Company Has Placed Big Order in Europe

NEW YORK.—Standard Oil Co. of New Jersey has agreed to purchase 500,000 barrels of refined and crude oil from several companies operating in the Rumanian oil fields, delivery to be made by the end of February, 1920. The value of the oil is given as approximately $3,150,000. Much difficulty has been experienced by small operators in the Rumanian oil fields in getting their products to market due to the shortage of tank cars, one of the principal methods used, and lack of tank steamers. The Standard Oil Co. of New Jersey is well equipped as regards tank steamers, however, and will be able to provide ample facilities for handling the oil.

LITTLE EVIDENCE OF A CONSPIRACY

Flour Traveller Said to Have Made Arrangements to Protect French Bakers

The statement made by W. F. O'Connor in a recent conference with the representatives of the large bread making concerns, at Ottawa, that the Board had discovered a case of conspiracy between some Montreal millers and bakers, is rather more starting than the facts would seem to justify. Some time ago there was a miniature bread war between some of the smaller French bakeries in Montreal, that became so vindictive that some of the bakeries were facing ruin. In an effort to overcome these abnormal conditions, and undoubtedly to protect himself against loss, THE FINANCIAL POST learns that a traveller of a Montreal milling firm got the bakers together, and very possibly did make some condition that a living price should be charged for bread if the bakeries were to obtain flour. There is no jot of evidence that the traveller in question endeavored in any way to enhance prices, or to do more than see that his company's investment in these concerns was protected against a recurrence of foolish disagreement.

The traveller's actions were distinctly his own and were not concurred in by his firm. Those facts scarcely seem to justify a charge of conspiracy. The assumption that any action will be taken on such a charge is far from sound. There is absolutely no ground for any thought of conspiracy in the situation as it actually exists.

EUROPE CONDITIONS ARE STILL VERY BAD

H. B. Shaw, General Manager Union Bank, Confirms Mr. Vanderlip

The outline of Europe's condition by Frank A. Vanderlip, which was published in THE FINANCIAL POST last summer, is confirmed by reports brought back to Canada by H. B. Shaw, general manager of the Union Bank of Canada. Mr. Shaw has just returned to Canada from a tour of European countries.

Speaking in Winnipeg of European conditions, Mr. Shaw said:

"France can not recover through its own exertions. It is impossible. The people must have help. If this aid and assistance is not forthcoming many of the conditions which prevail in Russia may extend to France. The conditions in Belgium, on the other hand, are good. The Belgians started working the day after the armistice with the result that they are now a producing country with a consequent bright outlook. Conditions in Italy, Austria and Germany are distinctly unsatisfactory. If the resources of the world are not pooled in some manner and used immediately to meet the requirements of all Europe the economic situation is in danger of destruction.

"Germany is so important in the economy of nations owing to the huge war indemnities which she has to pay to the allied countries that the world can not suffer it to be destroyed. The value of the mark has practically disappeared and under this condition very little progress can be made.

"Representatives of nations must get round a table and decide what is to be done and they must eliminate all greed and selfish claims if they are to be successful. It is absurd to suppose that the vast debts of the war will liquidate themselves without scientific preparation. There must be a readjustment and rearrangement and a writing off."

AMERICANS COMING

Many U.S. Settlers Are Expected A[illegible] Saskatoon

By Special Representative.

SASKATOON.—The Dominion De[illegible]partment of Colonization is makin[illegible] provision for a large influx of se[illegible]tlers with capital from the states [illegible] Montana, Idaho, East Oregon an[illegible] south to the border of Colorado, a[illegible]cording to C. W. Speers, general c[illegible]onization agent for the departme[illegible] during an interview here.

COMMENT WIDENS ON PLAN TO JOIN BRITISH AMERICA

No Annexation, But Partnership of British Interests is Aim

INCREASE TRADE

Canada Now Imports $110,000,000 of Tropical Products, Largely From U.S.A.—Could Import From West Indies

Interest in the proposed federation of British America, to include Canada, Newfoundland and the British West Indies, has been growing of late, and since THE FINANCIAL POST published an interview with Harry J. Crowe, who has been the leader in Canada of the movement towards Federation, editorial comment has appeared in a number of Canadian papers, most of it favoring the plan. One phase of the situation has been the opposition of those who oppose "annexation" by Canada of the other Crown Colonies in this hemisphere; this attitude is, of course, wrongly taken, for rather than "annexation," a true partnership or union of British interests is desired, having as one of its ends expansion of commercial relations between the areas involved.

Mr. Crowe is now in Newfoundland, interviewing members of the Government of that dominion on the question. Adding to his previous explanation of the scheme, Mr. Crowe said:

"The importance of the trade of these tropical islands is not fully appreciated in Canada. At present we are importing $108,000,000 worth of tropical products yearly, the major portion of these from the United States, which is piling up the exchange against us. Imports direct from the West Indies total only about $22,000,000 annually. Political and commercial union between the British West Indies and Canada, permanently establishing free interchange of products between these countries, would not only give Canada a convenient market for her surplus production, but also help to balance our trade more evenly with the United States.

Could Use Canadian Ships

"A large part of the 300,000 tons of shipping now constituting the Canadian Government mercantile fleet could be no better employed than in direct trade with the British West Indies, not only supplying all transportation between Canada and the Islands, but between the West Indies and Great Britain as well.

"As England can consume all the fruits and other tropical products Canada would be unable to absorb, preference would provide return cargoes for the steamers bearing fruits, etc., from the Islands to England, thus producing true Empire interchange. At present Jamaica buys no less than 70% of her requirements from the United States."

"Canadians are active in seeking trade in Europe, where they face keen competition, while in the West Indies, at their very doors, they have a market of two million British consumers, importing what we Canadians produce and exporting what we are obliged to buy, under existing conditions largely through the United States middleman."

Must Be Political Union

Some of the opponents of the scheme have stated that a commercial union would serve the purpose as well. Answering their arguments, Mr. Crowe said:

"Such a plan has repeatedly been tried and it has always failed. There must be political union to make these commercial ties binding and permanent. Canadian capital would seek investment in the West Indies much more readily were they part of our system.

"A union of Canadian and British West Indian interests would on the commercial side reduce living costs to the people of both partners in the compact. It would also increase the volume of transportation, open new markets for the participants, and make them independent of the United States. Politically it would place the British West Indian Islands in full partnership with this great Dominion and thus strengthen their position for securing advantageous commercial treaties with foreign countries, their bargaining power being consolidated and augmented. It would also enable them to participate in all treaties negotiated by the Dominion, and their voice at Westminster would carry greater weight. While these rich islands would be a liquid asset to Canada, the Dominion would be able advantageously and justifiably to assume any deficit that might occur, through the provision of a free market for Canadian goods, as is the case now with all the provinces of the Dominion. In political union there is commercial strength."

STORMS AND BUSINESS

How Big Wind Brought Demand In Machinery Trades

The wind that blew so furiously on Saturday night last was both destructive and creative. For instance, it blew down a good many windmills in the rural districts, and left them in such shape that they were beyond repair. Engine dealers, especially those handling the type suitable for farm purposes, report that they have been smothered with business during the week, engines being wanted at once to take the place of windmills destroyed. One Toronto house wired in the middle of the week to have Montreal send along 25, and the same day wired the factory to rush a carload in here. Even with this stock they have not caught up with the demand.

'PEG TRANSPORTATION

Tubes and Elevated Discussed by City Council

WINNIPEG. — Shall Winnipeg, when present-day means of street transportation have become obsolete, have an aerial railway or shall it have an underground system? This question must be considered, according to W. P. Brereton, city engineer.

The works committee has talked. While the engineer favored an aerial line, Mayor C. F. Gray wanted an underground system. "I have lived in two cities where they have overhead lines and they are a nuisance," said the mayor.

Ald. G. Fisher thought motor busses would intervene between the present car system and the time when the city had either an aerial or underground system.

U.S. HOME DEMAND RULES WHEAT PRICE

Little Danger That Government's Price Guarantee Will Cost the Country a Cent

Some interesting points have been raised by a recent statement of Julius H. Barnes, United States Wheat Director, and probably the most interesting is the bearing of these remarks on the whole question of price fixing. The American Government felt that it was essential to fix a price on American wheat if the enormous crop was to be moved. And only a day or so ago the Canada Wheat Board were saying complimentary things about themselves, pointing out that their activities had been responsible for the successful movement of the Canadian crop.

Figures to verify the claims of the Canada Wheat Board are not to hand, but there are some very illuminating figures given regarding the American situation. As a matter of fact while the American price for wheat has exceeded the set price by as high as 80 cents a bushel on some grades, the export for the four months of the harvest year have fallen below those of the preceding year.

The American people solved the question of assimilating their enormous crop themselves by the simple process of eating it. In the four and a half months the mills of the United States have produced 55,571,000 barrels as against an outturn of 45,708,000 for the same period last year. At the same time the country has exported 62,576,000 bushels of wheat and 6,763,000 bbls. of flour, as against 71,623,000 bushels of wheat, and 6,495,000 bbls. of flour, or an equivalent of 93,000,000 bushels of wheat this year, as opposed to 100,000,000 bushels in the same period last year. So that while the production of the United States mills had increased nearly 10,000,000 barrels, exports of flour have remained about the same, and exports of wheat have shown a pronounced decline.

These facts would seem to indicate that the danger of an enormous wheat crop on an open market was not as great as was at first assumed, that even at present prices bread is one of the cheapest foods available, and that therefore the demand is likely itself to look after the price.

The conditions of affairs, too, calls to mind the vast amount of speculation of a year ago as to how the United States Government was to finance this immense purchase, and sober-minded men were confident that this move would probably cost the American Government in the neighborhood of a billion dollars.

FIXING CLOTHING PRICES

Small Man Going to be Hardest Hit by Regulation

By W. C. A. MOFFATT, Editor "Men's Wear Review."

Not for some weeks yet will it be known generally what the effect of the Board of Commerce order on the clothing trade has been, but the one point that stands out prominently now is the fact that the small man is going to be the hardest hit. In Toronto, for instance, the order being applicable only to this city as a "starter," the dealers in men's wear who do business in the heart of the city are not agitated to any great extent, as they handle, for the most part, the higher-priced class of merchandise. But with the men who cater to the wants of the workingmen, those who operate in country districts and on the city's outskirts, it is different. A large part of their stock is designed to meet the needs of the man who wears the cheaper-grade clothing, and it is this, of course, that has fallen under the investigators' ban.

In the city stores the smallest percentage of goods stocked is the kind that is affected by the order, so that these dealers will have no difficulty in living up to the order.

THE COAL STRIKE COMPLICATES THE STEEL SITUATION

One Strike Not Yet Over When Another Has to Be Faced

PRODUCTION IS LOW

Nothing Like Capacity Output From Furnaces Can Be Looked For for Months to Come

By A. R. KENNEDY, Editor "Canadian Machinery."

The iron and steel business in United States, from which Canadians draw a good deal of their supplies, is in a poor way. The steel trade is not entirely out of the strike at the mills when the coal miners cease work, and shipments for coking are reduced in some cases to the vanishing point.

There has been scarcely any coal delivered to the steel mills since the coal strike started Nov. 1, most of the coal consigned to mills being held up by the fuel distributing authorities. Mills have been able to get along fairly well with their stocks, but these are now largely depleted. On top of this situation, making it uncertain whether there will be enough coal to enable all mills to continue to operate, comes the danger that the production of coke will be restricted in order to release coal for the most urgent uses. Curtailment in coke production would decrease the make of pig iron, of course while in addition it would interfere with operation of plants that depend upon blast furnace gas for their power.

Altogether the prospects are clear that there will be nothing like capacity production for months to come, if at any time in the discernible future Last January production of steel was at about 90 per cent. of capacity, figuring capacity on a conservatively low basis. The subsequent slump carried the rate down to about 50 per cent the middle of May, and with continued recovery thereafter the rate just before the strike was about 85 per cent. For a few days the strike cut this in half, making a rate a trifle under 45 per cent. Now the rate is about four fifths of that just before the strike a trifle under 70 per cent., and the 85 per cent., rate may not be reached before next March.

The Strike Situation

During the ten weeks of the strike seven lives were lost, one man was paralyzed as a result of being struck on the head with a brick, and 173 were injured in riots, street fights or clashes between pickets and workmen and guards.

A conservative estimate places the total payroll loss in the entire district at $29,634,064.67, and property loss at $153,150. The only figures obtainable as to the tonnage loss by the steel company are those given by the strike committee, which places it at $250,000,000.

It is estimated less than 1 per cent of the men who struck are idle to-day Most of them have returned to their old jobs. Others have gone elsewhere to work. Many foreign workers have returned to their native land.

As a result of the strike, the labor situation is more serious in the Pittsburgh and other steel districts than it was during the war. Workmen going back to Europe or leaving the region to find employment elsewhere, have created a shortage of almost 30,000 common laborers. The longshoremen's strike in New York has served to prevent many mill workers from returning to Europe, and as soon as that difficulty is settled a rush to Europe is expected.

Steel officials say the problem of insufficient laborers is being met in various ways. Many negroes, Greeks and Mexicans have been brought into the district since the strike. Significant are reports showing that the strike has stimulated inventiveness in the management of steel plants, with the result that new methods were devised whereby fewer men than formerly are required to perform certain work. These labor-saving methods will continue to be used.

GRAIN SHIPMENTS

Twenty Million Bushels of Wheat In October

One hundred and four boatloads of grain were carried between the head of the lakes and lower Great Lakes ports in October, according to figures issued by the Lake Shippers' Clearance Association. The grain included 20,013,00 bushels of wheat, 2,000,000 bushels of oats and 997,000 bushels of barley.

Comparison with the figures for the same month in 1918 and 1917 are as follows:

Boat and Rail Shipments

	1919	1918	1917
Wheat	20,137 980	12,805,076	34,121,419
Oats	2,797,828	99,446	1,434,406
Barley	1,066,872	284,020	768,884

NO PEACE DECLINE

Prices Have Generally Advanced Since Armistice Was Signed

NEW YORK.—The first year following the armistice fails to show the reduction in prices which had been hoped for by many. In fact, prices have continued to advance except in the few articles for which the war created a special demand, such as nitrates, high explosives, canned foods, copper, wool, barbed wire, firearms, and certain grades of iron and steel.

A compilation by the National City Bank of New York shows that out of 150 articles enumerated in the Government's price lists of imports and exports, 100 show advances, while, as above indicated, a large part of those showing a reduction is of the class for which the war created a special demand.

IRON AND STEEL MAY BECOME B.C. INDUSTRY

Possibilities Outlined at Meeting of Canadian Mining Institute

VANCOUVER.—One of the most important topics discussed at the meeting of the Canadian Mining Institute here was the future of the iron and steel industry on the Pacific coast, an industry, the possibilities of which are only now being seen. Conditions on this coast are similar to conditions in the iron and coal areas of Nova Scotia. This fact was pointed out by F. W. Gray, editor of the "Canadian Mining Journal," who said:

"Apparently you have the required deposits of iron ore; you have the strategic location, the climatic conditions, and, most important of all, you have the necessary market for your product, there is everything in your favor.

"This question is not a local nor even a national one. It is an Imperial one. You must fulfil the destinies placed upon you as citizens of the British Empire. Economic dependence sooner or later means political subservience and you have the natural resources to develop a great industry which will be for the benefit of the whole Empire."

R. C. Campbell-Johnston described some of the work which had been done by the Vancouver Magnetite Company and stated that the ultimate product of this firm had been magnificent pig-iron which compared most favorably with the British No. 1 pig-iron.

Nichol Thompson said that he knew that British capital at last was satisfied of the opening on this coast for an iron and steel industry and he looked for the early establishment of such an industry. Without it he thought the permanent building of steel ships here an impossibility.

ONTARIO'S FISH SCHEME

Financial Success Was Guaranteed by Methods Adopted

The sales branch of the Fisheries Department of the Ontario Government has issued a statement relative to the year's business of the company. The sales for the past 12 months were considerably in excess of last year, being 3,155,902, as compared with 2,758,129 for the previous year. The year is said to have been a successful one from a financial standpoint, and to have been free from certain of the difficulties of last year. This happy result was gained by a system that could not very well be adopted by other agencies, the simple system of limiting customers and making the municipality in which they resided stand sponsor for them financially. Naturally a business carried on under such happy conditions should be able to protect itself against loss.

The sales branch of the department is now facing a period of uncertainty, as it is by no means sure that the present Government will be likely to continue the scheme originated by the recent Conservative Government.

EMPLOYMENT SITUATION

A Recovery in Conditions During Second Week of November

OTTAWA.—Reports from employers to Dominion headquarters of the Employment Service of Canada, Department of Labor, indicate that apart from unemployment due to strikes there was a considerable increase in the volume of employment during the week ended November 15, which increase more than compensated for the decrease of the preceding week.

Returns for the week ending November 15th were received from 4,742 firms, of which 2,149 were in Ontario, 1,064 in Quebec, 452 in the Maritime Provinces, 737 in the Prairie Provinces, and 340 in British Columbia. These firms reported 677,669 persons on payroll, as compared with 672,292 reported by the same firms during the preceding week, an increase of 5,377 persons, or .8 per cent. A decrease of 1,040 persons, or .2 per cent. was anticipated for the week ending November 22.

Exports

A special Department of this Bank is devoted to the interests of the foreign business of its customers.

Exporters and others having business relations with foreign countries are invited to avail themselves of the very complete information which has been gathered by the Bank's Foreign Department. This may be done through any one of the Bank's many branches.

THE CANADIAN BANK OF COMMERCE

Capital Paid up $15,000,000 Reserve Fund $15,000,000

33A

Bank Accounts in France

If you have funds in France which you do not wish to draw on account of present rates of exchange, or if your business requires that you should keep an account in Paris,

THE ROYAL BANK OF CANADA (FRANCE), 28 Rue du Quatre-Septembre,

will be pleased to receive your deposits at current rates of interest.

Arrangements can be made through any of the branches of

THE ROYAL BANK OF CANADA

THE HOME BANK OF CANADA

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THE TORONTO GENERAL TRUSTS CORPORATION

DIVIDEND NO. 94.

NOTICE is hereby given that a Dividend of Two and One-half Per Cent. (2½%) has been declared upon the paid-up Capital Stock of this Corporation for the quarter ending the 31st day of December, 1919, being at the rate of Ten Per Cent. (10%) per annum and that the same will be payable on and after the 2nd day of January, 1920.

AND

That a Bonus of One Per Cent. (1%) has been declared upon the said Capital Stock payable at the same time as the said Dividend.

The Transfer Books of the Corporation will be closed from the 20th day of December to the 31st day of December, both days inclusive.

By Order of the Board.

A. D. LANGMUIR,
General Manager.

Toronto, December 1st, 1919.

Sound Industrials

are the most profitable way of Investing Money

The future of Canada hinges very largely on the success of her industries. Many of these industries have long since passed the experimental stage, and are today as sound an investment as can be found, and at the same time, capable of giving returns far above those obtainable from Government or Municipal Bonds, but—You must be sure of what you are getting. Industrials are our business, we can advise you. Write us.

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The Canadian Crocker - Wheeler Co., Limited

DIVIDEND NOTICE.

THE Directors of The Canadian Crocker-Wheeler Company, have declared a One and Three-quarters per cent. (1¾%) dividend on the preferred stock of the Company for the three months ending December 31st, 1919, to shareholders of record December 21st, 1919. Also a dividend of One and Three-quarters per cent. (1¾%) on the common stock of the Company for the three months ending December 31st, 1919, to shareholders of record December 21st, 1919.

The stock books will be closed from the 21st to the 31st of December both days inclusive.

Checks will be mailed to shareholders on December 31st, 1919.

By Order of the Board.

H. C. HOWELL,
For Secretary-Treasurer.

St. Catharines, December 5th, 1919.

ENGLISH MARKET VERY STRONG FOR CANADA'S PAPER

Pulp Prospects Also Very Bright, Declares G. F. Steele

NEW ZEALAND 'PLAINT

Feeling of Discrimination of Visitor Soon Removed—Big Increase in Export Figures Continues

By Resident Representative.

MONTREAL.—That a wrong impression of prices and conditions in connection with newsprint production in Canada was entertained by the Australasian publishers was freely admitted by F. E. Jones, of Christchurch, New Zealand, after consulting with some of the mills here on Thursday. Mr. Jones is chairman of the Importers' Committee of the Associated Chambers of Commerce of that country, and he had come to Canada with a view to improving trade relations between this country and New Zealand. In an interview he had stated that his country was anxious to continue to get Canadian paper, and that it was admitted free, while an ad valorem duty of 20 per cent. was imposed on paper coming from outside the Empire, "but we cannot understand why we should have to pay a higher price for it than is paid by Canadian consumers." Ordinary printing paper, which cost $69 a ton in Canada for the newspapers, cost, delivered in New Zealand, the equivalent of $150 a ton. The New Zealand publishers believed that if this "discrimination" continued, the preference given to Canadian paper should be removed and the market opened to all comers on an equal footing. Thus Canada might lose her market, as Norway and Sweden, relieved of the duty, could lay down paper more cheaply than Canada. Mr. Jones added that shipping conditions had greatly improved between the two countries in the last three months, and now there was practically no obstacle to trade.

A study of the Government restrictions on the newsprint mills of Canada soon convinced the visitor that the mills were not discriminating against the New Zealanders, but themselves were forced to give the price of $69 to the Canadian newspaper publishers. This arrangement, of course, will not last long as a new agreement is now under way at a largely increased price.

One of those whom Mr. Jones met on Thursday was G. F. Steele, the general manager of the Canadian Export Paper Company, who returned on Wednesday from a trip to England. In speaking to THE FINANCIAL POST Mr. Steele declared that the situation in Europe in regard to a demand for Canadian pulp and paper was "very, very strong," and he believed that there would be a market over there for Canada's exports in these lines for many years to come. There was a world-wide scarcity that this country would be called on in part to supply.

The Government figures of exports of pulp and paper for September continue to show steady increases. The total value exported was $8,330,557 as compared with $6,410,990 in September 1918, a gain of $1,919,567. Another encouraging factor was the decline in exports of pulp wood logs from $1,217,635 to $884,575. Newsprint paper exports alone amounted to 53,975 tons valued at $3,842,641. For the six months of the new fiscal year to Sept. 30, the paper exports increased from $21,821,915 to $27,119,246. The figures for September alone, and the six months compare as follows:

September	1918	1919
Paper and boards	$3,489,328	$4,587,579
Chemical pulp	2,584,097	3,231,576
Mechanical pulp	337,565	511,402
	$6,410,990	$8,330,557
Six Months	**1918**	**1919**
Paper and boards	$21,821,915	$27,119,246
Chemical pulp	15,903,189	14,008,388
Mechanical pulp	2,512,086	2,618,338
Total	$40,237,190	$43,745,972

ILLINOIS TRACTION

The Illinois Traction Company reports gross earnings for the month of October amounting to $1,602,692, as compared with $1,249,294 for the same month in 1918, an increase of $353,398. Operating expenses and taxes at $1,113,190 were higher by $160,084, while net earnings totalled $489,501, an increase of $193,313.

For the ten months ending with October the gross at $14,095,467 showed an increase of $1,993,057, and net amounting to $3,901,801 was higher by $614,924.

RIORDON

The Riordon Pulp and Paper Company has announced that its Hawkesbury mill is now producing bleached sulphite pulp in quantity. The reputation which this company has already made for producing high-grade pulp and the excellent demand for its products will enable it to market its aditional output at favorable prices. There will be a consequent higher profit from the sale of this more finished product.

UNION BANK ISSUE

Three Millions of New Capital is Oversubscribed

It is announced that the new issue of $3,000,000 capital stock of the Union Bank of Canada has been oversubscribed. The bank's paid-up capital, consequently, will be brought up to $8,000,000. The Union Bank of Canada commenced a new fiscal year at the beginning of the month, and while the annual report for the twelve months ended November 30 will not be available until the end of this month, there are indications that it will probably be the most satisfactory return in the bank's fifty-four years of banking service.

N.S. POWER CONCERNS WANT MORE CAPITAL

Several Applications Are Now Before the Board of Public Utilities

By Special Representative.

HALIFAX.—The Board of Public Utilities Commissioners for Nova Scotia have before them the application of the Oxford Electric Light and Power Company for permission to issue new capital and to increase rates. The council strenuously objects to any increase in the rates and it also is not in sympathy with the request for additional capital. The councillors assert that they can stand no higher rates and if there is any increase the quantity of light taken must be reduced or cut off altogether. The rates the company wish are only such as would give the regulation 8 per cent. on the capital actually invested, but the councillors assert that it cannot economically pay more, for a greater sum has been expended than should have been and if the further sum of $10,000 is allowed they will be more in the hands of the company than ever. There appear to have been mistakes in construction and some unfortunate circumstances which give the company, as it now is, hard sledding. Meanwhile, the Public Utilities Commissioners are "considering" and the town is determined in its opposition.

The application of the Pictou County Electric Company, which connects the mining towns of Pictou, for an increase of capital, had a very different result, the Board granting the request without ado. The company asked for permission to issue $130,000 par value three-year coupon notes at 7 per cent. It was set forth that the funds were required in the following proportions: paving, $40,000; power house, $10,500; transmission lines, $26,500; car barns and cars, $10,500; track, $11,600; miscellaneous, $6,200.

Development of Acadia

Under legislation of last session the Acadia Electric Company of Wolfville has been taken over by the town and the Public Utilities Board has acquiesced in the transfer. It is a steam plant and the town got the property for $20,000. They will change it over to water, availing themselves of power from the Gaspereaux river, where two young men, Messrs. Wright and Joudrey, have built a large dam and have put through a considerable amount of development work. White and Joudrey figure that they can supply the current at 5 cents per kilowatt hour. The town will charge more than this for distribution, but the rate citizens are now paying is 12½ cents. The great object to be gained by the change, however, is not so much a lower rate, but an all night service, which the old company, with its steam plant, could not give or did not wish to undertake. Acadia University particularly desire an all-night service and it will in future be possible to have all-night lighting on the streets of the town. Hitherto it has been dark after midnight.

NOVA SCOTIA STEEL

Recent activity in Nova Scotia Steel stock in New York may not be unconnected with the improved business condition of the company, says the Toronto "Globe." Recent news from New Glasgow, N.S., states that the company's plants are now working at full capacity both at New Glasgow and Sydney Mines. From the first of January until December 1 the company was operating about 50 per cent. capacity at Trenton, while the blast furnace and open-hearth furnaces at Sydney Mines were shut down for the greater part of that time. The demand for steel products for home consumption is still below normal, as buyers have been apparently holding off with the expectation of reduced prices. They are, however, now coming into the market and the company expects a fairly busy winter. A certain amount of export business has been developed along lines which the company formerly manufactured and exported.

MAPLE LEAF

Maple Leaf Milling Company common fell off three points from the high of the previous week on a trading represented by only five shares. The general uncertainty of the milling situation just at the present time, due to the difficulties of transportation, coal shortage and the lifting of the American wheat embargo, has evidently cooled the public enthusiasm for the moment.

THE FUTURE OF TORONTO RAILWAY

Ratepayers to Vote on Question of Acquisition by the City

Toronto ratepayers will again vote on the question of having the city acquire the Street Railway Company on the expiry of the franchise in August, 1921. Two years ago general electors recorded themselves as strongly in favor of public ownership in taking over the system.

A by-law will be submitted to the ratepayers, who alone are entitled to vote upon questions that involve expenditure on capital account, declaring that it is expedient to take over the Street Railway at the expiration of the franchise.

In addition to the by-law two questions will be submitted to the qualified electors. They will be asked to approve of the operation of the railway: "By a commission of three ratepayers resident in the municipality, to be appointed by the council, and to act without salary"; and to authorize an application to the Legislature for power to borrow the capital required to acquire the railway without a further vote of the ratepayers.

NEW SUGAR COMPANY

Royal Securities is Completing Underwriting for Montrealers

MONTREAL.—Reports current in the financial district recently to the effect that important local interests were engaged in the financing of a large and important Canadian Cuban Sugar enterprise were confirmed today, when it was stated in authoritative circles that the Royal Securities Corporation is at the present time completing the underwriting of the deal.

The transaction by which an extensive sugar estate and factory in Cuba, with an annual production capacity of over 81,000,000 pounds of raw sugar, will, it is understood, involve between $5,000,000 and $6,000,000, is that the financing will be one of the largest arranged for in Canada, in a corporate way, for some time.

BANKERS' ASSOCIATION

The offices of the Canadian Bankers' Association have been moved from the Bank of British North America Building, Montreal, to the Dominion Bank Building, Toronto.

There May Be Unexpected Value in Your Unlisted Securities

Let us place a valuation on your holdings and advise you as to their future possibilities.

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Richardson, Sheppard & Thorburn, Ltd.
INVESTMENT BANKERS
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The Consolidated Mining and Smelting Company of Canada, Limited

DIVIDEND NO. 35.

NOTICE IS HEREBY GIVEN that a Dividend of Two and One-half Per Cent. (2½%) on the paid-up Capital Stock of the Company for the quarter ending December 31st, 1919, being at the rate of Ten Per Cent. per annum, has been declared, payable January 2nd, 1920, to shareholders of record at the close of business on the 10th day of December, 1919.

By Order of the Board.

J. KITTO,
Secretary.

Montreal, December 3rd, 1919.

NESBITT, THOMSON & COMPANY
Limited
INVESTMENT BANKERS
305-7 Bank of Hamilton Bldg. / TORONTO, Ont.
222 St. James Street — MONTREAL, Que.
Mercantile Trust Bldg. — HAMILTON, Ont.
Note New Toronto Address

DIVIDENDS DECLARED

THE RIORDON PULP AND PAPER COMPANY, LIMITED

PREFERRED STOCK DIVIDEND NO. 30.

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) on the Preferred Stock of this Company, has been declared payable December 31, 1919, to shareholders of record at the close of business December 24, 1919.

By order of the Board.

F. B. WHITTET,
Secretary-Treasurer.

Montreal, 2nd December, 1919.

Brazilian Traction Light and Power Company Limited

(Incorporated under the laws of Canada)

PREFERENCE SHARES

NOTICE is hereby given that a quarterly dividend of 1½ per cent. has been declared on the fully paid Cumulative Preference Shares of the Company, payable on the 1st day of January, 1920, to shareholders of record at the close of business on the 15th day of December, 1919.

J. M. SMITH,
Secretary.

Toronto, Canada, December 1st, 1919.

The Montreal City and District Savings Bank

NOTICE is hereby given that a dividend of Two Dollars and Fifty Cents per share has been declared on the Capital Stock, called and paid up, of this Bank, and will be payable at its Head Office, in this city, on and after Friday, January second next, to Shareholders of record, Monday, fifteenth December next, at three o'clock p.m.

By Order of the Board.

A. P. LESPERANCE,
General Manager.

Montreal, November 25th, 1919.

Atlantic Sugar Refineries Limited

NOTICE is hereby given that a quarterly dividend of one and three-quarters per cent., and an additional dividend of one and three-quarters per cent. applicable to arrears of dividends, on the Preferred Shares of the Capital Stock of Atlantic Sugar Refineries, Limited, has been declared, payable January 2nd, 1920, to shareholders of record December 12th, 1919.

By Order of the Board.

S. J. LeHURAY,
Secretary.

Montreal, November 29th, 1919.

The Sherwin-Williams Co. of Canada, Limited

NOTICE is hereby given that the thirty-fourth quarterly dividend of One and Three-quarters per cent. (1¾%), being at the rate of Seven per cent. (7%) per annum, for quarter ending December 15th, 1919, upon the Preferred Stock of this Company, has been declared, payable to Shareholders of record the fifteenth day of December, 1919, and that cheques will be mailed on December thirtieth, 1919.

Books not closed.

By Order of the Board.

J. H. GORDON,
Secretary-Treasurer.

The Royal Bank of Canada

FIFTIETH ANNIVERSARY BONUS

NOTICE is hereby given that to commemorate the Fiftieth Anniversary of the founding of the bank, a bonus of 2% upon the paid up capital stock of the bank has been declared, and will be payable at the bank and its branches on and after Saturday, the 20th day of December next to shareholders of record at the close of business on the 29th day of November.

By order of the Board.

C. E. NEILL,
General Manager.

Montreal Que., November 11, 1919.

The Bank of Nova Scotia

DIVIDEND NO. 200

NOTICE is hereby given that a Dividend of four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending December 31st, and that the same will be payable on and after Friday, the second day of January next, at any of the offices of the Bank.

The Stock Transfer Books will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board.

H. A. RICHARDSON,
General Manager.

Halifax, N.S., November 14th, 1919.

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 147 St. James Street, in the City of Montreal, on Thursday, the 8th day of January, 1920, at 11 o'clock, a.m.

C. E. NEILL,
General Manager

Montreal, December 1, 1919.

Western Canada Flour Mills Company, Limited

DIVIDEND NOTICE

THE Board of Directors of Western Canada Flour Mills Company, Limited, have declared a Dividend of two (2) per cent. for the three months ending 30th November, 1919, payable 15th December, 1919.

The Transfer Books of the Company will be closed from 6th to 15th December, 1919 (both days inclusive).

The Hamilton Provident and Loan Society

DIVIDEND No. 97

NOTICE is hereby given that a Dividend of FOUR AND ONE-HALF PER CENT., being at the rate of nine per cent. per annum, has been declared for the half year ending December 31st, 1919, upon the paid-up Capital Stock of the Society, and that the same will be payable at the Society's Head Office, Hamilton, Ontario, on and after Friday, the 2nd day of January, 1920.

The Transfer Books will be closed from the 15th to the 31st of December, both days inclusive.

By order of the Board.

D. M. CAMERON,
Treasurer.

Dominion Textile Company

Limited

NOTICE OF DIVIDEND

A DIVIDEND of two per cent. (2%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st DECEMBER, 1919, payable JANUARY 2nd, 1920, to shareholders of record DECEMBER 15th, 1919.

By Order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 17th November, 1919.

The Wabasso Cotton Company, Limited

DIVIDEND NO. 8.

NOTICE is hereby given that a quarterly Dividend of 2 per cent. has been declared on the Capital Stock of the Company for the quarter ending December 31st, 1919, payable January 2nd, 1920, to Shareholders of record at the close of business on December 15th, 1919.

By order of the Board.

S. B. CAYFORD,
Secretary-Treasurer.

Montreal, November 13th, 1919.

Dominion Glass Company Limited

DIVIDEND NOTICE.

NOTICE is hereby given that a dividend of one per cent. (1%) has been declared on the COMMON STOCK of Dominion Glass Company, Limited, for the quarter ending the 31st day of December, 1919, payable Thursday, the 1st day of January, 1920, to shareholders of record at the close of business Monday, the 15th day of December, 1919.

By Order of the Board.

MERVYN OFFER,
Secretary.

Montreal, 25th November, 1919.

Dominion Glass Company

DIVIDEND NOTICE.

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of Dominion Glass Company, Limited, for the quarter ending the 31st day of December, 1919, payable Thursday, the 1st day of January, 1920, to shareholders of record at the close of business Monday, the 15th day of December, 1919.

By Order of the Board.

MERVYN OFFER,
Secretary.

Montreal, 25th November, 1919.

WE OWN AND OFFER

Municipal and School Bonds

CREDIT CANADA LIMITEE
Dominion Express Building
Montreal

ANGLIN - NORCROSS
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Contracting Engineers and Builders
MONTREAL TORONTO HALIFAX

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PUBLIC CONTROL WITH OPERATION BY TWIN CITY CO.

A Business-Like Franchise Arrangement Made at Minneapolis

SERVICE-AT-COST BASIS

Attitude Towards the Traction Company a Contrast to That Displayed in Canadian Cities

The basis of the proposed new railway franchise of the Minneapolis Street Railway Company—one of the operating companies of the Twin City Rapid Transit —which has been worked out on a service-at-cost basis and will be voted on by the taxpayers of Minneapolis on Tuesday next is one with interesting features from the standpoint of Toronto and other Canadian cities where somewhat similar conditions are being faced. In Minneapolis the charter of the company expires a year before that in force in Toronto. The problems are, therefore, much the same in some respects. The manner in which they are being approached is very different. In Minneapolis the advantages of efficient private operation under proper public control are recognized. In Toronto it is public ownership or nothing in order to administer a finishing kick to a corporation which has played the part of political football for local politicians for years.

The proposed franchise for the Minneapolis Railway gives the city control over the operations and properties of the Traction Company as complete as it could hope to exercise under outright municipal ownership without the financial risks of proprietorship or the responsibilities of operation involved. At the same time there is reserved to the city the right to purchase upon giving one year's notice at any time during the twenty-five year term of the franchise.

The privileges and authority of the company are limited to the right to operate surface cars on fixed tracks on certain streets and parkways, subject to the closest control by the city council and to earn not more than 7 per cent. on a valuation of $24,000,000 and 1 per cent. over and above interest charges on new capital required for extensions and improvements which are also subject to the approval of the city council. The city has the distinct advantage of practical management under civic supervision and control. Following is a summary of important clauses in the proposed agreement:

The city agrees that the company may operate surface cars on fixed tracks on certain streets and parkways.

The company be permitted to earn a 7 per cent. return on a valuation of $24,000,000 and 1 per cent. over and above interest charges on new capital invested for authorized extensions, new lines and improvements, except upon failure of the company to obey orders of the City Council, when it shall sacrifice 1 per cent. of its capital return during the period of its dereliction.

The company must furnish adequate street car service in strict compliance with orders of the City Council.

Build such new lines and extensions as the council may determine and maintain its properties in first-class condition.

Accept a rate of fare sufficient only to meet the cost of satisfactory service.

Agree to sell its properties to the city at any time on the basic valuation of $24,000,000, or, if the city so desires, at whatever may be the value of those properties when the city wants to purchase by condemnation proceedings.

Pay fair wages to its employees and recognize any grievance committee representing 50 per cent. of the employees of any branch of employment.

Forfeit its franchise for continued default of the terms of the ordinance and submit to a reduction of 1 per cent. in its capital return during periods when it fails to obey Council orders.

Open its books and records at all times to the Street Railway Supervisor and other authorized representatives of the city and to furnish in advance an annual estimate of expenses if so required.

Establish a reserve fund for stabilizing fares and an amortization fund for eliminating intangible items from the capital and property values.

Accept an initial fare of 5 cents and sell tickets in multiples of five at a discount of 10 per cent in the event increased fares are required to meet the cost of service.

Reduce fares in units of one cent, in the event earnings at any time during the period of the grant are sufficient to yield a surplus after fixed charges are met.

Pave and keep in repair portions of paved streets occupied by its tracks and attend to sweeping, sprinkling, oiling and cleaning away the snow on the portion of every street occupied by its lines.

Consent to submission to board of arbitration of three members of all points of difference arising over enforcement of provisions of the franchise ordinance.

Accept regulations of City Council governing use of its tracks by suburban railways and division of fares on inter-city lines, as well as terms governing leasing of power and use of St. Paul repair shops.

Build city passenger station if required by city to do so, or use such station as city might b[illegible] er and under terms prescribed by City Council.

Operate service over such new lines or extensions as might be constructed by the city under the franchise, and credit earnings therefrom to the city.

Permit city supervision of salaries paid to officials, attorneys and directors.

AMES-HOLDEN TIRE

Production Will Start About January —Stock at $40 Now

MONTREAL. — Ames-Holden Tire Company report that their building at Kitchener, Ont., is practically completed, and that all machinery is either in place or en route. The company expects to be in production by January and in a position to deliver tires for the spring trade. We are informed that so far all construction has been carried on ahead of schedule.

Ames-Holden Tire common, which went as a bonus with the 7 per cent. bonds of the company placed with our clients last summer, is now quoted $40 to $41 a share.

HOWARD SMITH 5 P.C. SUGGESTS DOUBLE

Common Shareholders Receive 5% for the Current Year—None Since Early in 1918

By Resident Representative.

MONTREAL.—The directors of Howard Smith Paper Mills declared a dividend of 5 per cent. on the common stock for the year ending December 31, 1919, payable on January 15 to holders of record December 31. Up to this time it was over a year and a half since a dividend had been paid on Howard Smith common. It was started in the middle of 1917 and three juarters were paid at the rate of 8 per cent. a year or 6 per cent. in all. Early in 1918 the dividend was discontinued, owing to the fact that the company was changing over the Crabtree Mill from a newsprint to a writing paper mill, and for the greater part of 1918 the company was not earning anything on this property. The declaration of 5 per cent. on the common for the year suggests that this will be the dividend basis decided on in case the common stock is doubled. This would mean a ten per cent. dividend on the present stock of $1,250,000, or 5 per cent. on a total of $2,500,000.

"SHORT" INTEREST IN AMES

Stock Continues to Rise in Spite of All Attacks

By Resident Representative

MONTREAL.—The recent steady advance in the price of Ames common has drawn forth attacks from various quarters in the Street. There have been suggestions made that the banks were looking askance at the height to which the stock, that is not paying a dividend, has advanced. It was even said in one quarter that the stock was being raised in "defiance" of the attitude of the banks. If such were the case it would appear difficult to account for the rise taking place. As is well known, by far the larger part of the floating supply has been bought in and unless definite plans were behind the buying, it would seem foolish to continue it at the price. On the other hand, confidence appears to reign strong amongst those who are best acquainted with the company and its future prospects. It is known that there is a large "short" interest that has sold from as far down as 50 or lower and any effort made to depress the stock so as to enable the "shorts" to cover without serious loss, would seem to have been unsuccessful. The short interest would seem to be extending in spite of the steady rise of the stock, which between Monday morning and Wednesday went up nearly ten points. Such an addition would make the situation of the shorts a rather uncomfortable and uneasy one. The price of the preferred continued to run around 113 but as yet no definite word is heard of just when action will be taken to start paying off the arrears.

WINNIPEG ELECTRIC

The present value of the Winnipeg Electric Railway Company's holdings exclusive of land, rolling stock, gas properties and "intangible capital," according to the appraisal just completed by the Manitoba Public Utilities Commission experts, is $12,934,293.85, it was learned to-day. To replace the holdings, however, would cost $15,724,501.61, thus showing that the experts have allowed $2,790,207.31 for depreciation since the plant was constructed. The J. C. White report, which covered a valuation of the company's holdings in 1915, gave $23,995,860 as the actual value and $27,187,322 as the cost to replace.

DULUTH-SUPERIOR

Gross earnings of the Duluth-Superior Traction Company for the month of October amounted to $63,844 as against $125,098 for the same month in 1918, an increase of $38,746. Operating expenses totalled $138,756, an increase of $27,890, and net earnings amounting to $25,088 showed an increase of $10,855.

For the ten months ending with October the gross totalled $1,598,771, an increase of $202,927, while net for the ten months at $310,874 showed a falling-off of $33,509.

Gross earnings for the third week of November amounted to $37,795, an increase of $9,371 over the corresponding period in the previous year.

CALLS FOR STATEMENT ON LYALL SITUATION

Crash of Stock of Nearly 70 Points Follows Spectacular Rise on Motor Car Rumors

By Resident Representative.

MONTREAL.—The vagaries of the past few weeks in the movement of the stock of P. Lyall & Sons Construction Co. have been such as to call for an official statement from the company or even to stir up action on the part of the Governing Board of the Exchange. That in a few weeks a stock can jump 70 points and lose nearly the whole amount in another few weeks with absolutely no change in the earnings of the company as the basis for these violent movements is a situation that tends to throw discredit on the whole stock market. The question of investment under the condition that has occupied the centre of the stage for the past few months is not one for consideration, but even speculation has seldom reached the stage that the actions of this stock suggest in the whole history of the Canadian market. Even a similar rise and break in New York would call for headline explanations, where manipulation is the stock-in-trade of a certain element. The Canadian exchanges have, fortunately, been fairly free from this element, but unless an injury is to be received both by the security and by the Exchange itself it would appear that the time had come when an end should be put some way to the condition that has existed.

To a certain extent there was official recognition of the new motor in the address of the president of the company early in the year, although any reference to it was veiled. Then the stock started jumping and was on its way to 160 from about 90—and even 66 where it had remained for many months. The officials of the company from the start deprecated any speculation in the stock on the ground that their new venture was an untried one. This seemed only to add fuel to the flame, and the stock jumped once more. Then came a heavy slump caused to a great extent by the lead of New York, but the general slump did not influence the market to nearly the extent that rumors flying around for the last few days have done, for it would appear there was a break between the inventor and the company, and finally the inventor of the motor had his resignation accepted. Then, of course, the natural rumor was that he owned the right to the motor and would start up in business himself, depriving the company of the advantage that the participation had suggested would be a very valuable one. Then came a semi-official assurance that the advantage would remain with them. Just at this point the stock had fallen below par from a high of 161 a short time ago. It is at this stage—and indeed long before this—that an official statement of the whole matter would seem to be forthcoming on the part of the company, to lay at rest the idle rumors that have been floating around, and to give a stabilizing effect to securities whose purchase for the great bulk of the holders was based on the assumed earnings of the company in their regular construction business.

BUFFALO LOEW'S

An issue of $1,000,000 eight per cent. cumulative preferred shares of Loew's Buffalo Theatres, Incorporated, is offered at $100 per share and carrying a bonus of two shares common stock, par value $10 a share. The preferred stock is redeemable on any dividend date at $110, and for the redemption of these shares 10 per cent. of the net earnings will be set aside annually as a sinking fund commencing with the year 1923. The company is capitalized at $3,000,000 equally divided into preferred and common shares. All the latter is to be issued and $1,000,000 of the preferred stock.

This is the first big American issue to be offered in Canada since the war, and has many attractive features. It is worth noting that Loew's Theatres in Canada were financed by the sale of preferred stock carrying a bonus of common stock. In the five years of operation the preferred stock of Loew's Toronto Theatre has paid 35 per cent. in dividends (7 per cent. per annum) and the common stock 49 per cent., or on an average of nearly 10 per cent. per annum, and the net earnings will permit of a further increase in dividends.

WESTERN CANADA MILLS

The business of the Western Canada Flour Mills Company is reported to be very satisfactory at the present time, a good domestic consumption taking care of the present output. Up to the present the mills have been running steadily, but it is growing increasingly difficult to get grain through from the West, and with such conditions the future is anything but certain. The Ontario producer who still has grain is standing pat waiting for it to increase in value, and it is reported to be next to impossible to buy a car in Ontario.

UNLISTED SECURITIES

	Bid	Ask
Alta.-Pacific Grain, com.	175	200
Do., pref.	88	95
Canada Bond	20	..
Belding Paul, com.	55	60
Do., pref.	90	95
British American Assur.	9	12½
Canada Machinery, com.	28	35
Do., pref.	64	75
Can. Westinghouse	115	125
Canadian Oil, com.	45	50
Do., pref.	95	100
Carter Crume, pfd.	65	72
Can. Marconi	3	4
Can. Mortgage	67	72
Cockshutt Plow, pref.	73	77
Can. Crocker-Wheeler, pfd.	80	90
Can. Fairbanks, pfd.	83	89
Collingwood Ship., com.	35	..
Crown Life	12½	..
Dom. Power & Trans., com.	57	65
Dunlop Tire, pfd.	93	97
Home Bank	94	97¼
King Edward Hotel, com.	57	64
Loew's, Montreal, com.	85	95
Loew's, Toronto, com.	298	305
Wm. Neilson, com.	54	65
Sterling Coal, com.	15	17
Sterling Bank	103	110
Trust & Guarantee	79	82
United Cigar of Can. pfd.	175	225
Western Assurance	11	14
Whalen Pulp & Paper, com.	25	30
Volcanic Oil & Gas	80	88
Goodyear Tire, com.	190	..
Do., pref.	96½	..
Kipawa Paper, com.	40	..
Lambton Golf	400	..
Massey-Harris	100	118
Murray-Kay, pfd.	67	73
Bonds—		
American Sales Book, 6s	90	94
Algoma Steel Corp. 5s	55	65
P. Burns, 1924, 5s	100	103
P. Burns, 1931, 5s	96	99
Can. Machinery 6s	79	82
Collingwood Shipbuild'g 6s.	85	90
Eastern Car 5s	92	95
Mex. Northern Power 5s	13	15
Morrow Screw 5s	88	92
N. S. Steel Deb's, 6s	87	92
Ontario Pulp 6s	101¼	..
Porto Rico 5s	82	85
Sterling Coal 6s	73	76
Stone Limited 6s	94	98
Toronto Power 5s	90	98
Tor. & York Radial 5s	97	99
Toronto Paper 6s	86	92
West. Can. Power 5s	54	59

ESTABLISHED 1840 — 80 YEARS HONORABLE RECORD
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APPLICATIONS FOR AGENCIES IN UNREPRESENTED DISTRICTS INVITED

Get Distribution First

Reed L. Parker, of Lord & Thomas, Advertising Agents, Chicago, stated at a meeting of wholesale grocers and their salesmen in Toronto recently that, after all, the success of any big selling campaign could be attributed to 10% advertising and 90% merchandising methods, including actually selling the retail dealer and dealer co-operation once the article is put into stock. Advertising to the public merely removed the resistance to trying the article; aggressive selling methods made the sale.

Mr. Parker was talking to the jobbers and their salesmen in connection with a big package tea advertising campaign in Ontario. He pointed out this applied to every campaign. It was the conclusion reached by Lord & Thomas after many years' advertising and selling experience.

Manufacturers, endeavoring to increase the sales of their products, must secure the active co-operation of the merchants and clerks behind the retail counter to secure the maximum results from their advertising and selling campaign.

Select your dealer mediums from the following MacLean business papers, each of them a leader in its field:

CANADIAN GROCER — BOOKSELLER AND STATIONER
HARDWARE AND METAL — SANITARY ENGINEER
DRY GOODS REVIEW — DRUGGISTS' WEEKLY
MEN'S WEAR REVIEW
CANADIAN MOTOR, TRACTOR AND IMPLEMENT TRADE JOURNAL

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TORONTO

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WINDSOR HOTEL PROFITS TREBLED DURING THE YEAR

Earnings of Nearly Ten Per Cent. on Common Against Less Than 3 Per Cent.

WORKING CAPITAL UP

Increase from $70,000 to $172,000 Since 1918—Surplus Now Exceeds $500,000—Valuations Written Down

By Resident Representative.

MONTREAL.—A marked improvement was shown in the statement of the Windsor Hotel Co. of Montreal for the twelve months ending Oct. 31 last, which was submitted to shareholders at the annual meeting on Tuesday of this week. The profits amounted to $172,177, as compared with $68,283 one year ago, an increase of $103.894. After allowing for bond interest $27,000, and $90,000 of dividends at the rate of 6 per cent. on the outstanding stock of the company—comparing with a dividend of $30,000 the previous year—there remains a surplus for the year of $85,177, compared with $11,283 for 1918. This compared with an income of $18,713 for 1917, when a dividend of $60,000 was paid. Adding the surplus of the present year to the balance on hand, $467,223, there remained a profit and loss balance of $522,400 carried forward to next year. This makes an increase of $66,000, compared with two years ago. The balance available for dividends this year was $145,177, representing 9.6 per cent. as against 2¾ per cent. in 1918.

The comparison of the profit and loss statement for the last three years runs as follows:

Profit and Loss Account

	1919	1918	1917
Profits	$172,177	$ 68,283	$105,713
Bond interest	27,000	27,000	27,000
Balance	$145,177	$ 41,283	$ 78,713
Dividends...	45,000	.....	60,000
Balance	$100,177	$ 41,283	$ 18,713
Unpaid divs.	45,000	30,000	.....
Surplus	$ 55,177	$ 11,283	$ 18,713
Prev. balance	467,223	455,940	437,226
P. and L. bal.	$522,400	$467,223	$455,940

Taking the balance sheet, there is a considerable improvement in the financial position of the company. Current assets amounted to $349,139, compared with $167,176. Current liabilities amount to $177,023, compared with $96,328, leaving working capital of $172,116, as compared with $70.849 of the previous year, an improvement in the working capital position of over $100,000 for the year.

Among the liquid assets, cash has increased from $31,000 to $239 000; inventories have declined from $103,000 to $61,000; accounts receivable from $32,000 to $47.000. Among the current liabilities, accounts payable have increased from $53,000 to $144,000. The capital stock remains as it was, $1,500,000, and bonds at $600,000. The reserves show an increase from $48,426 to $49,109. The total assets amount to $2,893,532, compared with $2,741,978, an increase of over $150,000. The property valuation has been written down from $2,118,980 to $2,076,947, some $42,000, and furniture has been written down from $450,000 to $427,500, making a total of nearly $70,000 written off.

The comparative figures of current assets and liabilities for the two years are as follows:

Working Capital

	1919	1918
Current Assets—		
Cash	$239,895	$ 31,852
Inventories	61,373	103,118
Accounts receivable..	47,871	32,206
	$349,139	$167,177
Current Liabilities—		
Accounts payable	$144 981	$ 53,153
Accrued wages	23,042	11,188
Accrued taxes	......	22,987
Bond int. acc.........	9,000	9,000
	$177,023	$ 96.328
Bal. work. cap........	172,116	70,849

Enlarging Accommodation

At the annual meeting of the shareholders there was some discussion as to whether in view of the excellent record of earnings during the past year the board could not be more generous than arranging for a 6 per cent. dividend. It was explained that in view of the necessity of expending a large amount of money modernizing the hotel, and enlarging the accommodation for guests that a conservative policy was wise. During the war the earnings did not permit of a sufficient amount being turned back to keep the property up to the desired standard. The board was re-elected without change as follows: Henry Joseph, president; F. L. Wanklyn, vice-president; Norman J. Dawes, Herbert Molson, J. M. McIntyre and Andrew J. Dawes, with John Davidson as manager and secretary-treasurer.

MARITIME TELEGRAPH

Increased Rates Are Being Justified by Conditions

HALIFAX.—It is understood that the revenue returns by the Maritime Telegraph and Telephone Company, as a result of the new rates and the measured service in Halifax, show practically what the commission estimated these would be when they were authorized. The board promised they would keep a careful check on these returns and if they proved to be in excess of the amount it was expected would be yielded they would make a revision downward. This period of checking was to be for three months and of this time two months have expired. Speaking of telephones it is interesting to note that there are in Nova Scotia, receiving a subsidy from the Province, 124 such companies, incorporated under the Rural Telephone Act. These all form feeders for the Maritime. In the eastern part of the Province these rural companies are most numerous and cover the country fairly thoroughly, while in the West they are not so general.

QUEBEC RAILWAY SELLING ANOTHER

Government Discussing Taking Over of Lotbiniere-Megantic at $330,000

By Resident Representative.

MONTREAL.—The shareholders of the Quebec Railway, Light, Heat & Power Company are welcoming a report from Ottawa that the Government is about to close an agreement for taking over the Lotbiniere and Megantic Railway line for the sum of $330,000. This line, like the Quebec-Saguenay, has been a load on the company's finances for a number of years. It is 33 miles in length, and covers a district on the south shore near the head of the Quebec bridge. There was a bill passed three years ago by Parliament to acquire this line as a feeder to the Intercolonial. The transfer of this line will benefit the Quebec Railway not only in the way of interest on the payment, but in the wiping out of an annual loss in operation. The stock of the company has been a little weaker this week, declining to below 22½.

BREWERIES PAYS TEN PER CENT. DIVIDEND

Rate Increased From Six Per Cent.—Big Business for This Sensational Performer

By Resident Representative.

MONTREAL.—One portion of the favorable news promised for National Breweries, Limited, came true this week when the directors declared a dividend at the rate of 10 per cent., in place of the 6 per cent. that had been paid. This was in the form of 2½ per cent. for the quarter ending Dec. 31, payable Jan. 2 to record of Dec. 15. The increase was not in the nature of a surprise as it was known that the business of the company since the referendum on wine and beer carried, had been rapidly increasing, the profits mounting up, and the financial position greatly improved. Indeed, according to reliable reports, the 10 per cent. will represent only a small per cent. of the actual earnings of the company. Large extensions to the plant are now being made. This stock has had the greatest rise of any on the exchange this year. At the time the referendum was being voted on it stood at 68, but in a very short time it had risen to par, and then proceeded without interruption until a point of 194½ had been reached, all on a 6 per cent. dividend basis, and part of the time without even this. After some division had developed on the board in reference to a plan for subdividing the stock, the stock eased a little and has been ruling around 177-180 for some time. During the rise large sums were made by those with "inside" information, while outsiders plunged in as "shorts," and the shearing reached spectacular proportions in this direction as well. It took the bears a long time to learn the lesson to "leave Breweries alone."

CANADA BREAD

Canada Bread common showed another week of activity selling 4,883 shares on a gradually advancing market, which showed in the week's trading an advance from 27 to 31½. A strong buying tendency still continues, though the causes behind this move are still so hopelessly tangled in a mass of rumor that it is difficult to know whether there is any good ground for the advance or no. Mark Bredin, president of the company, was in Ottawa this week, accompanying a deputation of other bread concern officials to use their influence with the Board of Commerce to try and keep down the price of flour. Mr. O'Connor some time ago fathered the suggestion that the price of flour be advanced to permit a decline in the price of bran and shorts. The Canada Wheat Board did not see eye to eye with the Board of Commerce on this matter, however, and it had to be dropped. The breadmakers did not get any great satisfaction from their conference with the Board of Commerce.

STEAMSHIPS ON A 7 PER CENT. BASIS; A BOOM IN STOCK

Investors Were Shown Little Consideration Regarding Announcement

BRITISH LIQUIDATION

Selling by Old Country Holders is Encouraged by the Present Unusual Situation in Exchange

By Resident Representative.

MONTREAL.—The increase in the dividend of the common stock of Canada Steamships Lines, Ltd., that has been referred to in the last couple of issues as likely to be announced early in December, was definitely adopted this week at a meeting of the directors, when it was decided to place the stock on a 7 per cent. dividend basis for the year 1920. This increase will have no effect on the dividend for the last quarter of the year 1919, but will start with the first month of the new year. This will be a straight increase of 3 per cent. in the dividend, an unusually large advance at one time in a stock having few parallels in the history of the exchange. There had been some idea among the directors of increasing the stock to 6 per cent. and adding a bonus of 2 per cent. for the last quarter, but it was found, as explained last week, necessary to have the official declaration of the dividend made before the directors could call a meeting, and so the regular dividend went into effect for the last quarter of 1919. When the question as to a bonus, or further increase in dividend came up before the board, the opinion finally prevailed that the earnings of the company for 1919 having proven so much beyond expectation, it would be quite advisable to give a substantial increase in dividend and place it on a permanent basis for the future. So far as the dividend is concerned now, the common stock is on a par with the preferred, being 7 per cent., and in any further increase the common stock will take the lead hereafter. The preferred, of course, will remain the primary obligation for the payment of dividends. It will be interesting, however, to compare the progress of the two stocks now that they are technically on the same dividend basis.

The manner in which the news of the dividend reached the street was almost as confusing as the news as to the dividend for the final quarter. The board met on Tuesday and adjourned at 1 o'clock, but no official statement was issued to the Exchange. The result was that rumors were flying around when the Exchange opened at 2 o'clock in the afternoon that the board had decided to place the stock on a 7 per cent. basis, but nothing official had been received and some brokers were still of the opinion that the stock was a 4 per cent. one. The stock had jumped from 71½ during the morning to 73, and at the beginning of the afternoon started at 75 and went up to 76 and wavered for a little time during the uncertainty between 75 and 76. Finally, in the last quarter, it ran up to 78 and closed the day at 78½ bid with 79 asked. Over 3,000 shares changed hands during the day. It was 2.30 before Edgar M. Smith, chairman of the governing board of the Montreal Stock Exchange, was able to secure a definite statement from the company, who confirmed the 7 per cent.

Regrettable Circumstances

Mr. Smith afterwards expressed the opinion that the absence of notification was unusual and rather to be regretted, owing to the difference of opinion among brokers as to the actual dividend existing. However, the explanation of the company was that the stock had been placed on a 7 per cent. basis, not for the current quarter, but for the coming year, and therefore, was not a declaration of the dividend, and so it had been considered unnecessary to notify the Exchange. The stock has had a rise since the dividend of 4 per cent. was declared early in the present year, from about 43 up to 78 at the close of the first day of the new dividend, a gain of some 35 points. Of course, for some months past, an increased dividend has been discounted, but it was felt generally that it would be 6 per cent. rather than 7 per cent. On Wednesday a new high of 81 was reached when extensive profit taking followed the 24 hours' rise of nearly ten points. It is believed that extensive liquidation is being carried on by British holders, who benefit very decidedly by the present exchange situation.

SOUTHERN CANADA POWER

The Southern Canada Power Company for the month of October showed further increases in net earnings compared with last year. The figures are:

	Oct., 1919	1918	Inc.
Gross	$53,270	$45,047	$8,222
Expenses....	25,777	24,459	1,318
Net	$27,492	$20,588	$6,904

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Canada Permanent Mortgage Corporation

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT. for the current quarter, being at the rate of

TEN PER CENT. PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

FRIDAY, THE SECOND DAY OF JANUARY

next, to Shareholders of record at the close of business on the Fifteenth day of December.

By order of the Board.

GEO. H. SMITH,
Assistant General Manager
Toronto, November 26th, 1919.

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MANY COMPANIES FORMED TO WORK RICE LAKE MINES

Winnipeg Business Men Support Development of Gold Area

MINE ORGANIZATION

Operators Organize to Get Railroad to Their Property—Brooklyn Mine Owned by Curtiss Employees Worked

WINNIPEG.—Although winter is beginning to hold up exploration and development work in the Rice Lake district, interest in the various companies which have been organized to develop prospective gold mines in that area has not waned. Winnipeg is passing through an experience somewhat similar to that enjoyed by Toronto twelve or fifteen years ago when the Cobalt silver area was first opened up. Winnipeg people have faith in the mineral area which is almost at their doors, but there have been so many companies offering stock in their gold mines that it has been difficult to choose between the genuine and the half-hearted attempts at development. Although the Rice Lake area has hardly reached the stage where companies promoted for the benefit of the promoter rather than for the benefit of the investor are appearing, there have been many over-enthusiastic advertisements appearing in Winnipeg papers, inviting the public to come in.

The majority of the mining companies now operating in the field have been organized by Winnipeg business men, who have put in their money in an honest effort to prove up their holdings. They are not all strictly new companies; many of them, Gold Pan, for instance, are reorganizations of old companies which for various reasons have failed to complete the work they started. One mine, the Gabrielle, is being operated by a group of military officers, who have held on to their claims since 1911 when this mine, the pioneer of the district, was discovered. Another mine, the Brooklyn, where sinking is proceeding now, is owned by employees of the Curtiss Aviation Company of Buffalo.

Lacks Transportation

Possibly the chief problem of the operators has been the lack of railway transportation, and it is the same problem that has been faced ever since Angus Macdonald staked the first claim on May 10, 1914. To reach the camp at present a rather rough journey over almost virgin ground is necessary. To push their claims for a railroad and also to cooperate in other matters of mutual interest a Rice Lake Operators' Association has just been organized in Winnipeg. Operators of the following mines have joined: Gold Pan, Bellevue, Angus McDonald Syndicate, Sunshine, Gabrielle, Golden Vein, Pan Extension, J. W. Harris holdings, Marigold, Brooklyn and the Bruce Consolidated. Most of these companies are selling stock. Officers have not yet been elected.

The Gold Pan mine is still full of water in the underworkings, but this is now being pumped out. This property has been worked for two or three years now, but the attempts at development have been half-hearted. Recently it was re-organized with Jas. H. Ashdown, the Winnipeg hardware merchant at its head, the old treasury stock was labelled 8 per cent. preference stock and sold at $1.00 a share.

Other Mining Properties

The Gabrielle mines are now selling stock. J. B. Tyrrell, Toronto mining expert, recently examined the property and in his report recommended the expenditure of a reasonable amount of money in the hope of developing it into a paying mine. He considers the property worth the risk.

The Brooklyn mine is not being financed locally as it is owned by the Curtiss Aviation Company of Buffalo. This company canvassed its employees for enough money to develop the property and gave them stock in return for their subscriptions. The property is now being worked, and good samples of ore have been taken out.

Another property with a small shaft and fairly good ore values, is the Boulder mines. The company financing this property is placing the funds in the hands of a trustee and only the interest will be used for development work, the principal to be used for working proven blocks of ore

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter for the week ending November 21 totalled 4 648 tons, which compares with 5,378 tons for the corresponding period in 1918. From October 1, 1918, to date the receipts totalled 357,953 tons.

TO MINE ANTIMONY

Neglected New Brunswick Mine Is Re-opened

The St. George Lake antimony mine near St. John, N.B., is to be reopened. There is available from the product of this mine an essential ingredient for the manufacture of rubber. A new company of Canadian and American capitalists has taken over the property. The controlling interest is Canadian and Mr. Stanley E. Elkin, M.P., of St. John, is the president. He and other directors, including two Americans, recently visited the mine and announced that plans are in preparation for the erection of a plant in New York to look after American, and one in St. John to look after Canadian and export business. It is said the company could contract for the sale of its whole product, but prefers the open market. The development of the industry will benefit Fredericton, the nearest city, as well as St. John. The company has extensive mining licenses in the region of the present mine. The purpose of having a reducing plant in New York is to take advantage of the free entry of raw material into the United States.

PRODUCTION DOWN

Less Metal Mined in Ontario This Year

Owing to strikes in the mining camps and the curtailment of the demand for nickel and copper, the production of metalliferous minerals in Ontario shows a decrease of $21,000,000 for the first nine months of the present year as compared with the same period in 1918, as the following table shows:

Gold	$ 6,875,766	$ 7,574,586
Silver	12,500,080	7,898,220
Platinum	......	1,447
Palladium	......	3,534
Cobalt metallic	702,717	174.78?
Nickel metallic	214,507	2,732,676
Cobalt oxide	572,845	463.916
Nickel oxide	1,731	1,607
Other cobalt compounds	17,164	18,250
Other nickel	36 620	22,279
Molybdenite	54,671	....
Lead	115,117	54.80?
Copper (blister)	79.137	756.88?
Copper (in matte)	6.890.785	1,908,936
Nickel (in matte)	20,105.087	5,424,55?
Copper ore	318	.....
Iron ore exported	317.471	44,234
Iron (pig)	1,184,120	795,00?
Totals	$49,599,036	$27,875,71?

OIL IS HIGH GRADE

Samples Taken in Peace River Free From Sulphur

That the oil pumped from the wells already drilled in the Peace River country, is free from sulphur, has a high gasoline and kerosene content and is high-grade, is the statement of A. M. Slack, who visited Toronto this week, after four years of exploration and drilling work in Northern Alberta. Mr. Slack, who is a resident manager for the Peace River Oil Company, is in Toronto arranging for drilling equipment for next season's operations.

The oil referred to by Mr. Slack was pumped from what is known as the oil sands at a depth of about 1,200 feet, and the well from which it was taken showed a capacity of about fifty barrels a day. The three wells now being drilled by the Peace River Oil Company, which is owned by a syndicate of Western business men, will be sunk to the 3,000 foot level beneath the oil sands, where the free oil is thought to exist.

MINING STOCK QUOTATIONS

Week Ending December 3

	High	Low	Close	Sales
Adanac	6½	6	6⅛	62,450
Apex	3⅛	3	3	16,000
Atlas	40	34	39	27,650
Bailey	5	4¾	5	1,600
Beaver	53½	47	51	105,610
Davidson	74	..	..	500
Chambers	18	13	16	49,550
Coniagas	2.90	2.76	2.90	505
Crown Res.	39	35½	38	18,549
Dome Exten.	37	35½	36½	16.590
Dome Lake	18¾	16	18½	8,000
Dome Mines	14.65	13.75	13.75	1,291
Foster	3¼	3	3	4.500
Gifford	1½	1	1⅛	48,500
Gr. Northern	4	3⅞	4	3,000
Hargraves	4	3¼	4	28.000
Hollinger	7.55	7.20	7.20	3.49?
Gold Reef	5¾	4¼	5⅛	140.500
Keora	22	21	21¾	32.350
Kirland Lake	51½	44	49	58 687
Lake Shore	1.27	1.25	1.25	7,250
La Rose	51	48½	49½	23.450
McKinley Dar.	75	72	74½	2,850
McIntyre	2.16	2.10	2.13	13,250
Moneta	14	13½	13½	2.000
Newray	14	13	14	3.000
Preston	3½	3¼	3½	4.000
Nipissing	13.75	13.40	13.50	2,212
Mining Corp.	2.05	1.70	1.70	6.200
Ophir	4	3	4	24.650
Pete. Lake	22	20	20½	86.450
Porc. Imperial	1⅝	..	..	2.000
Porc. Crown	27½	27	27	11.800
Porc. Tisdale	1½	..	..	1.000
Schumacher	25	21	22¼	3.350
Teck-Hughes	20	17	17½	13.600
Thom.-Krist.	7½	7⅛	7¼	7.100
Trethewey	46½	37½	46½	49.000
Wasapika	65	..	..	13.300
Timiskaming	51½	43½	50	108.700
V. N. T.	23	22	22½	18.625
West Dome	11	9	10	17,133

The first shipment of silver to China in coin instead of bullion will be made through large purchases of silver dollars in San Francisco. This method was adopted owing to the urgency of the demand and because the metal is now cheaper in coin than bullion.

GOLD PRODUCERS IN UNITED STATES ASK GOVT. BONUS

Otherwise Production Will Remain at Low Level, They State

INCREASE RESERVES

Ontario is Doing Well and Will Probably Produce $10,000,000 Worth of Gold During the Present Year

Gold production in the United States has fallen off 33 per cent. in the past three years and already United States mining operations are asking the Government to pay them a bonus of $10 an ounce for all gold produced in the United States. In no other way can the production of gold in the United States be increased, they claim. Gold reserves must be increased to meet the increase in the note circulation of the country, it is argued, and the only way in which the gold reserves can be increased is by greater production, for which gold miners have little incentive to-day.

Because of its unique economic position the selling price of gold cannot arbitrarily be increased, as can the selling price of silver, copper, iron and the baser metals. When wages and commodity prices go up, increasing production costs, producers of the other metals can increase their selling price to meet the increased costs. Not so with gold; when production costs increase the profits of the gold miner decrease. An ounce of gold a few years ago would have paid the wages of a worker in the mine for ten days. Now it will only pay him three days' wages. Hence when the general level of prices is on a high scale, there is a tendency on the part of the gold producers to produce less and to leave their treasure in the ground until commodity prices drop and the value of gold in terms of its purchasing power increases. That is the situation in the United States to-day, and it is a situation that has been aggravated by labor troubles.

Heavy Tax on Jewellers

At the gold conference of the American Mining Congress in St. Louis the other day, a resolution was adopted urging Congress to authorize the payment of a bonus of $10 per fine ounce for all gold produced in the United States or its possession. The resolution recommended that the money to pay the bonus be obtained by levying an excise tax of $10 an ounce upon all gold sold for use in the industrial arts and in the manufacturing of jewelry, etc.

Much gold has gone to China and India, probably never to return, it was stated, and gold reserves have been depleted so rapidly that production must be speeded up. At present production is not up to trade requirements alone.

At present, it might be noted, Canadian producers of gold are in a slightly better position than their American neighbors. If they sell their gold on the New York market they got the benefit of the premium on New York funds, while to encourage the producers to sell their gold in this country the Ottawa mint pays the New York premium for all gold delivered there. Part of this premium, however, is offset by the duty paid by Canadian companies on certain necessities of their business.

Production of gold in Ontario during the current year may reach $10,000.000 and will probably exceed the total for both 1918 and 1917. During the third quarter of the year scarcely any gold was produced in the province, owing to the strikes in the Porcupine and Kirkland Lake camps, but production is now satisfactory and the $10.000,000 figure will probably be reached. In 1917 Ontario, the largest gold-producing province in the Dominion, produced gold to the value of $8.698.735 and in 1918. $8.-502,542. For the first nine months of the present year the total was $7,-574.586, as compared with $6,875,-766 for the same period last year.

MINING CORPORATION

The action of the directors of Mining Corporation in passing the last dividend for the present year was not expected, and while market followers of the stock are disappointed it is felt that in view of the protracted strike of last summer and the recent extensions of the company's holdings, the passing of the dividend was justifiable. As a result of the passing of the dividend the stock fell 40 cents in Toronto on Wednesday. The Mining Corporation paid $1.348.000 in dividends in 1918. The company has a large reserve out of which it could have paid the dividend, but owing to the acquisition of the Foster and the Buffalo it was decided not to make a disbursement for the period during which the mill was closed on account of the ten weeks' strike.

The New York *Sun* announces that United States capital placed in Canada this year will total $100.000,000. This is in addition to $350,000,000 already invested by this country in the Dominion.

No transaction in Canadian finance too large for our firm

Some of the issues taken up and successfully handled in the last two years: City of Outremont, City of Montreal, City of Verdun, Montreal Tramways & Power Company, Saguenay Pulp & Power Company.

Only first-class securities bought and sold.

Versailles Vidricaire Boulais
LIMITED
VERSAILLES BUILDING MONTREAL
BANKERS
Also OTTAWA, QUEBEC and BOSTON

Milton Hersey Company
Limited
Industrial Chemists, Consulting Engineers and Inspectors
Testing and Inspection of all Materials
Mining Engineering and Mine Management
Specialists in Paving Engineering and Testing of all Building Materials
MONTREAL WINNIPEG

ESTABLISHED 1849
BRADSTREET'S
Offices Throughout the Civilized World
We Present a Record—Not a Prospectus
Reputation gained by years of vigorous, conscientious and successful work.
Thomas C. Irving
General Manager Western Canada
TORONTO

Invest In Victory Bonds
We can offer these bonds—due at any maturity—at the best market price.
F. H. DEACON & CO.
Members Toronto Stock Exchange
INVESTMENTS
97 BAY STREET, TORONTO

MINES — TIMBER
This Company maintains a special department for the investigation of development propositions in Western Canada, and only those of sterling merit are commended to the consideration of our clients.
LOUGHEED & TAYLOR, Limited
Government, Provincial, Municipal and School Bonds
Calgary, Canada

WISE INVESTMENTS
May Not Bring Greatest Returns, but they are the kind that stand the acid test. During such times as these consult an experienced Financial House before investing. Our services at your command whether you buy or not.
JOHN STARK & Co
ESTABLISHED 1870 MEMBERS Toronto Stock Exchange
ROYAL BANK BUILDING - - TORONTO

Stocks Wanted
Volcanic Oil and Gas
Dominion Sugar
Sterling Bank
Trust and Guarantee
Goderich Elevator
J. E. CARTER
Investment Broker, Guelph Ont.

BUSINESS ACCOUNTS

The complete banking facilities provided at all our branches enable this Bank to give Business Accounts the care and attention they need and deserve.

The Merchant and the Manufacturer will find the services rendered by this Bank of the greatest assistance in conducting their business. 206

IMPERIAL BANK
OF CANADA
180 BRANCHES IN CANADA.

Agents in Great Britain: ENGLAND — LLOYDS BANK LIMITED, London and Branches. SCOTLAND — THE COMMERCIAL BANK OF SCOTLAND, LIMITED, Edinburgh and Branches. IRELAND — Bank of Ireland, Dublin and Branches. Agents in FRANCE: CREDIT LYONNAIS. LLOYD'S BANK (France) and NATIONAL PROVINCIAL BANK (France) LIMITED.

THE BANK OF NOVA SCOTIA
INCORPORATED 1832

Capital, - - - -	$ 9,700,000
Reserve Fund - - -	18,000,000
Total Assets, over - -	220,000,000

GENERAL MANAGER'S OFFICE, TORONTO
H. A. Richardson, General Manager

BRANCHES:
CANADA—In all the larger cities and towns and throughout each province—261 branches.
NEWFOUNDLAND—St. John's and 21 other points.
JAMAICA—Kingston and 9 other points.
CUBA—Havana.
PORTO RICO—Fajardo, Ponce and San Juan.
UNITED STATES—New York, 52 Wall Street; Boston and Chicago.

CORRESPONDENTS:
LONDON, ENG.—London Joint City & Midland Bank, Ltd.
NEW YORK—Bank of New York, N.B.A.; National Bank of Commerce.
Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations and individuals carried on most favorable terms.

Correspondence Solicited

LLOYDS BANK LIMITED.
Head Office: 71, LOMBARD ST., LONDON, E.C. 3.

CAPITAL SUBSCRIBED -	£56,150,350
CAPITAL PAID UP - -	8,984,056
RESERVE FUND - -	9,071,250
DEPOSITS, &c. - -	309,328,800
ADVANCES, &c. - -	92,784,877

THIS BANK HAS OVER 1,400 OFFICES IN ENGLAND AND WALES.
Colonial and Foreign Department: 17, Cornhill, London, E.C. 3.
London Agency of the IMPERIAL BANK OF CANADA.
The Agency of Foreign & Colonial Banks is undertaken.
Affiliated Banks:
THE NATIONAL BANK OF SCOTLAND, LIMITED. THE LONDON & RIVER PLATE BANK, LIMITED.
Auxiliary:
LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK LIMITED.

NIAGARA FIRE INSURANCE COMPANY
ncorporated 1850 Head Office: NEW YORK
Cash Capital: $1.000.000.00.
Total Assets Dec. 31st, 1918: $10.286.583.97
Canadian Department: MONTREAL W. E. Findlay, Manager
Toronto Agents: - - Murphy, Love, Hamilton & Bascom

The Financial Equipment

of The Bank of Toronto for the successful handling of business accounts include:

Currrent Accounts, which are operated on liberal and convenient lines and upon modern methods;

Advances to assist in the operation of mercantile and manufacturing accounts and for the healthy expansion of all industrial and commercial enterprises;

Letters of Credit for the use of importers of foreign products, available in all civilized countries;

Drafts, Money Orders and foreign exchange sold or purchased;

Travellers' Cheques and Letters of Credit issued, on which cash can be secured at stopping places on all lines of travel.

THOMAS F. HOW
General Manager

Your banking business invited.

16

THE BANK OF TORONTO

MONEY BANKING AND EXCHANGE

LOWER EXCHANGE RATES FORETOLD BY MOST BANKERS

Outlook Very Uncertain, But No Improvement is Looked For

NEW LOW RECORDS

New York Funds Sell at Over 5½%; Sterling Touches $3.88 and Francs Sell at More Than Ten for the Dollar

Developments in the foreign exchange markets during the past week, when the pound, franc, lira, and the Canadian dollar all went to new low levels in New York, have made bankers chary of predicting what may happen next. Definite prediction, they say, is dangerous, yet there is no doubt that the majority are not looking for any improvement in the present position; in fact a much weaker market is looked for. The United States has still a large part of its cotton crop to export, and this is only one of the many articles of export that that country will be shipping to other countries in large quantities. There are no signs of Canada or any of the European nations making any pronounced curtailment in their purchases from the United States. Another factor that complicates the situation is the depreciated currency of practically all the European countries.

There has been some speculation as to the probable effect of an extensive coal strike in the United States on New York funds. The stoppage of shipments of coal and raw material to Canada might have the effect of easing the present high premium on New York funds, though it is felt that this influence would be, to a certain extent, offset by the consequent curtailment of shipments of such Canadian products as wood pulp, paper, ore, etc., to the United States.

Outlook Very Uncertain

Apropos the question of foreign exchange, the National Bank of Commerce, New York, in its monthly circular, says:

"How far the exchange rates will fall, when they will recover, how rapidly they will recover — these are questions to which no one can give confident answers. It is the general expectation that so long as the heavy excess of imports over exports continues for the European countries, their exchanges will go lower. On the other hand, there are some observers who express the opinion that much of this has already been discounted in the existing exchange rates by short selling, and that the demand from these short sellers themselves will take up the new supply of foreign exchange growing out of the exports for a considerable period. Other observers, however, maintain that the general tendency of speculation has been bullish rather than bearish. This view is strongly buttressed by statistical arguments; the long-time loans to Europe in the past year fall far short of the balance of Europe's current debt to the outside world, and speculation of one kind or another must have absorbed the difference, either by buying exchange, or by letting balances accumulate in European banks, or by withholding exchange from the market, and allowing 'open accounts' to run. There would thus be an enormous volume of exchange hanging over the market. Definite prediction is dangerous where so many uncertainties exist."

New York funds reached a new high level this week, being sold at over 5½ per cent. in both Toronto and Montreal. The week's changes were as follows:

Nov. 28.—Funds opened at 4⅞ asked. Later they sold at 4 27-32 each way, and eased off further to 4¾. The closing sales in Toronto were made at 4¾ and in Montreal at 5 11-16.

Nov. 29.—New York funds opened at 4 11-16 to the seller and were firm all morning, rising to 4¾ and at the close to 4 25-32.

Dec. 1.—The opening was at 4 25-32 bid. There were some sales at that figure when the market strengthened to 4 13-16 each way. Rose to 4 29-32, and 4⅞ to the seller. Closed at 4 15-16 each way.

Dec. 2.—Funds opened at 5% to the seller. Quickly went to 5 1-16 and 5 3-16 each way. Back to 5 5-16 for the close.

Dec. 3.—New York funds opened strong at 5% bid, but the first sale was made at 5¼% to the seller. Rose to 5 9-32, and 5 5-16 to the seller. Closed at 5⅜ bid.

Dec. 4.—Funds opened at 5⅜ bid, sold at 5½ and touched 5 9-16. Receded to 5½. The close was at 5⅜.

Sterling and francs both touched new bottoms. Fluctuations for the week were:

	Sterling Demand	Sterling Cables	Francs Demand	Francs Cables
Nov. 28	4.02	4.02¾	9.75	9.73
Nov. 29	3.99¾	4.00½	9.82	9.80
Dec. 1	3.99⅞	4.00⅝	9.87	9.85
Dec. 2	3.95	3.95¾	10.01	9.99
Dec. 3	3.88¼	3.89	10.26	10.24
Dec. 4	3.91¾	3.92½	10.25	10.22

MONTREAL

A branch of the Bank of Montreal will be opened for business at Kingsville, Ont., on or about the 18th inst., temporarily in charge of W. T. Sprague.

A branch of the bank will be opened for business at Marysville. N.B., under the management of J. G. Dickinson, with the title of acting manager.

A branch of the bank will be opened for business at the corner of Danforth and Carlaw avenues. Toronto, to be known as the "Danforth and Carlaw Avenues branch," under the management of G. E. Moren, with the title of acting manager.

STANDARD

M. C. Zimmerman, who has been manager of the Pickering branch of the Standard Bank for the past two years, has been transferred to the branch at Eglington. Mr. Zimmerman is being succeeded at Pickering by Mr. Crawforth.

NOVA SCOTIA

A branch of the Bank of Nova Scotia has been opened at the corner of Pape and Gowan avenues, Todmorden, to be known as the "Todmorden Branch," with W. L. Watson in charge.

MERCHANTS

E. W. Kneeland, of Winnipeg, has been elected a director of the Merchants Bank of Canada. Mr. Kneeland is general manager of the British American Elevator Co., vice-president of the Port Arthur Elevator Co., and also vice-president of the Saskatchewan Elevator and Liberty Grain Co., and is also a member of the following boards: National Elevator Co., Home Grain Co., Grain & Produce Exchange, Traders' Building Association and Canadian Bond & Mortgage Co., all of Winnipeg, and a member of the Winnipeg Grain Exchange.

A report from London, Eng., states that the Merchants Bank will shortly open a branch at Cornhill, in premises formerly occupied by an enemy bank. Col. J. H. Donnelly, who served with the 60th Battalion (Montreal), in France, and had been one of the bank's inspectors, has been appointed manager.

ROYAL

T. G. Haslam, manager of the Mount Forest branch of the Royal Bank, was recently the recipient of a handsome leather traveling bag, accompanied by an address from the members of the bowling and curling clubs, prior to his leaving to take charge of the Gerrard and Jones streets, Toronto, branch of the Royal Bank.

R. A. Fowlie, manager at the Cargill branch, has been appointed to succeed Mr. Haslam at Mount Forest.

A. H. Davey, who for the past five years has been manager of the Main street and Selkirk avenue, Winnipeg, branch of the Royal Bank, has been transferred to the branch at Alameda, where he takes charge. Mr. Davey will be succeeded at Winnipeg by F. A. Deckman, who has in the past been accountant at the main office of the bank at Winnipeg.

HOME

J. H. Morrison, manager of the Cabri, Sask., branch of the Home Bank, has been transferred to the management of the Tantallon, Sask., branch.

A new branch office will be opened in London East on Dundas street. It is understood that the premises have been secured and the new offices will be opened early in the year.

H. Kee, of the Toronto office, has gone to Walkerville as accountant.

L. I. Gumb, from Melbourne, has been appointed to duties at the West Toronto branch.

BANK OF ENGLAND

London, Dec. 4—The weekly statement of the Bank of England shows the following changes:—

Total reserves, inc.	£ 2,449,000
Circulation, inc.	1,440,000
Bullion, inc.	3,888,753
Other securities, dec.........	1,272,000
Public deposits, inc.	1,486,000
Other deposits, inc..........	45,548,000
Notes reserve, inc.	2,548,000
Government securities, inc....	45,966,000

The proportion of the bank's reserve to liability this week is 13.21 per cent. Last week it was 16.34 per cent.

BANK STOCK QUOTATIONS

	Last Nov. 27	Sale Dec. 4	Ch'ge
Commerce	198½	198½	....
Dominion	204	204	....
Hochelaga	155	155	....
Imperial	*198	197½	— ½
Merchants	188½	188	— ½
Molsons	192	191	— 1
Montreal	208	210	+ 2
Nova Scotia	273	273½	+ ½
Royal	216½	215	— 1½
Standard	210	209½	— ½
Toronto	195⅞	195¾	— ⅛
Union	159	160	+ 1

*Last previous sale.

BANK CLEARINGS FOR THE WEEK LOWER IN WEST

Decline in West is 11.3%—Gain in East is 26.2%

DOMINION GAIN 14 P.C.

Out of Total of Twenty-five Cities Eight Show a Decrease —Montreal 24.5% Higher; Toronto 28%

Weekly returns from the various clearing houses throughout Canada show a total for the week ending December 4, of $431,107,820, as compared with $377,868,336 for the corresponding period in the previous year, an increase of $53,239,484, or 14 per cent. Western cities report lower returns for the first time in many months, all cities with the exception of Victoria, Saskatoon, Brandon, Lethbridge and Medicine Hat, showing a decrease. The decrease for the West is $13,875,556, or 11.3 per cent.

In the East there is a gain of $67,115,040, or 26.2 per cent., with Brantford the only city to show lower returns. Montreal shows record clearings with a total for the week at $167,028,108, an increase of 24.5 per cent., while Toronto, with a total of $104,723,893, shows a gain of 28 per cent. Windsor reports the largest percentage gain. Following are comparative figures for the week:

WEEKLY BANK CLEARINGS
(In comparison with same week last year.)

Eastern Cities.	Dec. 4,1919	Change	%
Montreal	$ 167,028,108+	$ 32,873,458	24.5
Toronto	104,723,893+	22,967,161	28.0
Ottawa	13,452,338+	3,076,729	29.6
Hamilton	7,886,156+	1,370,397	21.0
Quebec	9,174,149+	1,315,620	16.7
Halifax	5,955,363+	1,364,155	29.7
London	4,678,175+	1,215,323	36.1
St. John	3,356,255+	916,408	37.5
Brantford	1,019,223—	40,437	3.7
Peterboro	868,818+	182,903	26.7
Sherbrooke ...	985,433+	136,280	16.0
Kitchener	1,203,725+	573,357	91.0
Windsor	2,332,791+	1,163,686	99.5
Total, East. ..	$ 322,664,427+	$ 67,115,040	26.2

Western Cities	Dec. 4,1919	Change	%
Winnipeg	$ 65,920,492—	$ 13,949,645	17.4
Vancouver ...	15,887,184—	516,689	3.1
Calgary	8,662,344—	138,460	1.5
Victoria	3,066,434+	801,102	35.3
Regina	5,241,216—	361,823	6.4
Saskatoon	2,684,460+	287,514	11.9
Moose Jaw ...	2,567,987—	130,338	4.8
Ft. William ..	1,060,355—	224,661	17.5
Brandon	1,074,018+	159,422	17.4
Lethbridge ...	961,789+	20,171	2.1
N. Wesminster	573,578—	1,702	.2
Medicine Hat .	743,536+	179,553	31.8
Total, West. ..	$ 108,443,393—	$ 13,875,556	11.3
Grand total ..	$ 431,107,820+	$ 53,239,484	14.0
Yr. to date.	$14,528,230,154+	$2,329,579,886	19.0

MONTHLY BANK CLEARINGS
(In comparison with same month last year)

Eastern Cities	November, 1919	Change	%
Montreal	$ 615,325,528+	$106,232,365	20.8
Toronto	414,730,544+	119,155,237	40.3
Ottawa	60,671,751+	20,881,697	52.4
Hamilton	32,112,322+	8,501,634	36.0
Quebec	29,495,935+	5,396,203	22.3
Halifax	22,056,205+	2,553,565	13.0
London	16,608,636+	4,059,558	32.3
St. John	14,239,714+	3,387,509	31.2
Brantford	6,194,872+	1,701,070	37.8
Peterboro	4,353,399+	447,786	11.4
Sherbrooke ...	4,602,796+	367,008	8.6
Kitchener	5,431,364+	2,218,422	69.0
Windsor	11,066,929+	5,249,369	90.2
Total, Eastern..	$1,236,889,995+	$280,151,423	29.2

Western Cities	November, 1919	Change	%
Lethbridge.....	3,377,806		
Winnipeg	$ 285,392,865+	$ 24,146,657	7.8
Vancouver ...	65,652,728+	15,647,378	31.2
Calgary	44,763,369+	11,774,588	35.7
Edmonton	25,512,473+	9,892,986	63.3
Victoria	12,145,250+	3,724,607	44.2
Regina	25,115,597+	3,686,443	17.2
Saskatoon	11,747,354+	2,150,908	22.4
Moose Jaw ...	9,497,543—	1,250,572	11.6
Ft. William ..	4,722,590+	575,418	13.8
Brandon	4,672,293+	507,863	12.1
N. Westminster	2,398,019+	177,536	7.9
Medicine Hat.	2,526,774+	430,154	20.4
Prince Albert .	2,619,747+	996,041	61.3
Total, West...	$ 496,766,602+	$ 24,166,693	5.1
Grand total...	$1,733,656,597+	$304,318,166	21.2

DIVIDENDS

Gen. Electric, com..	Jan.	1	2	Dec. 11
Wabasso	Jan.	2	2	Dec. 15
Bank of N. Scotia..	Jan.	2	4	Dec. 16
Canada Landed ...	Jan.	2	2¼	Dec. 17
Dom. Steel Corp., c..	Jan.	1	1¼	Dec. 5
Dom. Iron, pref.....	Jan.	1	1¾	Dec. 13
Dom Textile, com..	Jan.	2	2	Dec. 15
Duluth Sup., pfd....	Jan.	2	1	Dec. 15
Dominion Bank	Jan.	2	3+1	Dec. 20
Molsons Bank	Jan.	2	3	Dec. 15
Lon. & Can. Loan..	Jan.	2	3+1	......
McIntyre Mines ...	Jan.	2	5	Dec. 1
Can. Permanent ...	Jan.	2	2½	Dec. 15
McKinley-Dar.	Jan.	1	3	Dec. 16
Landed Banking....	Jan.	2	4	Dec. 15
Dom. Glass, com....	Jan.	1	1	Dec. 15
Do., pref.	Jan.	1	1¾	Dec. 15
Ont. Loan	Jan.	2	2½	Dec. 15
Mackay, com.	Jan.	2	1½	Dec. 6
Do., pref.	Jan.	2	1	Dec. 6
Tor. Gen. Trusts...	Jan.	2	2½+1	Dec. 19
Consumers' Gas ...	Jan.	1	2½	Dec. 15
Huron & Erie......	Jan.	2	1¼	Dec. 15
Penn. Water & P...	Jan.	2	1½	Dec. 19
Ham. Provident....	Jan.	2	4½	Dec. 14
Atlantic Sugar, pf..	Jan.	2	1¾+1¾	Dec. 12
Brazilian. pfd......	Jan.	1	1½	Dec. 15
Central Can. Loan..	Jan.	2	2½	Dec. 15
Cons. Smelters	Jan.	2	2½	Dec. 10
H. Smith Paper, c..	Jan.	15	5	Dec. 31
Do., pref.	Jan.	15	1¾	Dec. 31

Barcelona Traction, Light & Power Company, Limited

(Incorporated under the Laws of the Dominion of Canada.)

5½% First Mortgage 50-year Bonds

NOTICE IS HEREBY GIVEN that in accordance with the reorganization scheme approved at the meeting of the holders of the above bonds, held on the 19th December, 1918, 1% will be paid at any of the undermentioned banks on and after the 1st Dec., 1919, in full discharge of the half year's interest on the above bonds, due on the 1st Dec., 1919, against surrender of Coupon No. 16.

London, Bank of Scotland; **Brussels,** Banque de Paris at des Pays-Bas, Banque de Bruxelles, Banque d'Outremer, Societe Française de Banque et de Depots, Nagelmakers Fils & Cie, Caisse Generale de Reports et de Depots. **Paris,** Societe Generale. **Toronto,** Canadian Bank of Commerce.

Coupons of the face value of £0 10 0 will accordingly entitle holders to receive £0 4 0 in London, Frs. 5.03 in Paris and Brussels, or 97c in Toronto, Canada; and coupons of the face value of £2 10 0 will entitle holders to receive £1 0 0 in London, Frs. 25.16 in Paris and Brussels, or $4.86 2-3 in Toronto, Canada. The above payments are subject to Income Tax, if payable.

Form of Listing and Declaration of Ownership can be obtained from the above banks.

Dated this 29th day of November, 1919.
For BARCELONA TRACTION, LIGHT & POWER COMPANY, LIMITED.
R. H. MERRY,
Secretary.

Barcelona Traction, Light & Power Company, Limited

(Incorporated under the Laws of the Dominion of Canada

To the Holders of the 7% Prior Lien "A" Bonds

NOTICE IS HEREBY GIVEN that the Coupon Number 9 in respect of the interest due and payable on the 1st of December, 1919, on the 7% Prior Lien "A" Bonds of the Company, will be paid on and after the 1st December, 1919, at the Bank of Scotland, 30 Bishopsgate, London, England, and as their agents, at the Canadian Bank of Commerce, 23 King St. West, Toronto, and at the Agency of the Canadian Bank of Commerce, 16 Exchange Place, New York.

Dated this 29th day of November, 1919.

For BARCELONA TRACTION, LIGHT & POWER COMPANY, LIMITED.
R. H. MERRY,
Secretary.

For the well groomed man
TEXEND BRACES
Finer than the imported
The Dominion Suspender Co. Limited
NIAGARA FALLS, ONT.

ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter 1727

Paid-up Capital	£ 2,000,000
Rest and Undivided Profits..	1,030,470
Deposits	29,202,380

Head Office:
St. Andrew Square, Edinburgh.
Cashier and Gen. Mgr., A. K. Wright.
Secretary, J. B. Adshead.

London Office—3, Bishopsgate, E. C. 2.
Wm. Wallace, Manager.

Glasgow Office—Royal Exchange Square and Buchanan Street.
A. Dennistoun, Agent.

167 Branches throughout Scotland.

Banking business of every description transacted. Deposits received at interest repayable at call or at notice. Drafts, Circular Notes, Letters of Credit and Cable Transfers issued — available throughout the world. Foreign Exchange. Accounts opened and Agency business undertaken for Foreign and Colonial Banks and other financial establishments. Correspondence invited.

A Sound Industrial Investment

The shares of the K. & S. Tire & Rubber Goods, Ltd., constitute what we consider an excellent form of investment.

Working to capacity, producing high-grade automobile tires, tubes and moulded rubber sundries, they are unable to meet the demands of business offered.

Gross sales have increased over $530,000 in five years, with orders and plans for a 100% increase in 1919.

The preferred shares of the above company can be purchased at par ($100), with a bonus of one share of common (par value $25).

We would appreciate an opportunity of explaining this investment more fully to you.

Correspondence invited.

Reiner, Walsh & Co.
Investment Securities
118 Victoria St., Toronto
Main 4951

NEWS AND VIEWS FOR MANAGERS

FORMING BANK CLERKS' UNION IN MONTREAL

Four Hundred Clerks Present at Meeting in Charge of International Unions

FEELING IS DIVIDED

Opposition is Developing to Trades Union Affiliations—Salaries Main Topic—How "War" Expenses Are Met

By Resident Representative.

MONTREAL.—Keen interest has been aroused among the management of the local banks and the staffs, by the effort made this week to organize a union of bank clerks. A meeting was held on Wednesday evening and a beginning made. The attendance was about four hundred, and the proceedings in the main were in the hands of representatives of the International body, the American Federation of Labor, and of several officers of other Montreal unions.

For the present, opinion is divided in banking circles as to the outcome of the movement, as well as to its merits. So far as THE FINANCIAL POST has learned the management of the various banks do not appear to be opposed to any organization of the clerks that has for its object the mutual advantage of all concerned. The moment it was stated that the clerks were being organized under the International Union, some opposition developed. It was pointed out that the English unions of bank clerks were a purely bank affair, controlled by no outside body, and influenced solely by the interest with which they were engaged day by day. The suggestion that the whole staffs of the banks, if they identified themselves with the Trades and Labor Councils in various localities, might be at the mercy of some peremptory order to go out on strike, whether this was their own decision or not, seemed at once to stir up a certain feeling of antagonism in official circles.

International Only Temporary?

An explanation was vouchsafed to THE FINANCIAL POST, which contains in it a touch of humor, that some of the clerks here were afraid that if they started to organize in their own names, there might be "trouble." That in another Canadian city, which shall be nameless, some clerks appeared on the platform to advocate the formation of a union, and that they thereby "got themselves in Dutch." Which, to avoid in Montreal, the International was called in. The explanation, which came from a bank clerk, went on that when the union was formed it would break away from the International and local unions, and stand by itself. But of this there appears to be some doubt.

Salaries the Main Topic

At the meeting in question the chief subject of discussion was salaries. In the case of the English movement "hours" was added, but there seems little complaint about these among Canadian bank men. In England there was an hour added at the end of the day, as the banks kept open for the public until four o'clock. It was charged at the Montreal meeting that the salaries paid by a number of the banks to young men on entering were too low, and that the yearly increases were too small; that a man had to wait too long before he could earn enough to marry on, and so on. Some of the remarks made by those who appeared unacquainted with bank procedure at close range were rather far-fetched, but much of the attack on salaries drew forth applause.

Support is Divided

The support to the movement so far has been only "in spots." Several of the banks were not represented at all through members of their staffs, and in one or two other cases those present appeared chiefly as spectators. That the salary question is one that exercises the mind of many of the clerks would be idle to deny. It is a question that troubles the majority of men on salary.

Caring for Higher Costs

For the banks, however, it is only fair to say that they have been solicitous over the financial needs of the staffs in the heavy strain that has resulted from the abnormal prices of all commodities. There has, for instance, been a marked advance in the initial salaries paid the embryo clerks. It was not so very long since $200 was all that a young fellow of 17 or 18 would count on when he was accepted. (This in itself was a far remove from the time within a quarter of a century when parents paid the banks for the training of their sons.) The entrance salary now ranges between $400 and $600, and there is a regular practice of adding $100 to this each year, with more when the bank man shows exceptional ability. Then, for those who have been in the service the bonus system has been inaugurated, or where it was in operation before, the percentage has been increased, and as high as 35 per cent. is paid to married men, over and above the regular salaries. With the increase in the cost of living the standard of salaries for a "marriageable" clerk has advanced, and in some cases there is a provision that it must be at least $1,500. The amount varies pretty much with the particular bank. Taking the subject as a whole, the evidence would appear to be in favor of a verdict of fair treatment of the bank men in the matter of salaries, in comparison with pre-war schedules. And it is this standpoint that is naturally the issue now, rather than the broader question as to what the salary of a bank man should be considering the responsibility that is laid upon him, and the social position he is called on to maintain, and the extra expenses incidental thereto. This, of course, is an old question that at the moment is rather beside the mark.

A Clerk's Views

Where there are real salary grievances the subject is likely to receive some attention in the near future. As a bank clerk said to THE FINANCIAL POST, "Our bank treats us well, but so-and-so do not give as much as we are getting." In this particular case extra pay was given regularly for "overtime," not for balancing, but for the month-end extras that are a part of the calendar. In this case there is no object of a personal nature for joining the organization, nor did this clerk attend the meeting even, but he held himself open to become a member if he should feel that his membership would strengthen the organization for the good of the others.

The future of the movement at this time is, of course, an uncertain matter. That it will be considered in all its phases by the bank executives is also a conclusion that may be taken for granted. Among the bank clerks there is a wide-spread, level-headed sentiment, and a pride in their calling that will act as a stay on any attempts to adopt extreme measures that might react to the injury of those whose interests the movement aims to conserve.

STABILIZING THE VALUE OF DOLLAR

An Urgent Call for Some Common Understanding on the Whole Subject

NEW YORK.—It is understood that a committee of bankers or theorists or both has been formed to study the question how to "stabilize" the dollar. The question is acute, as is pointedly suggested by Mr. Bryan in his query whether creditors are today paying their debts in a "cheap gold dollar" worth 5 cents less than the bullion value of the silver dollar. Undoubtedly the decline in the purchasing power of money is more and more powerfully arresting the attention of thoughtful men everywhere. It cannot be allowed to go much further without very grave disaster growing out of the disturbance of economic and industrial relationships. There is, in fact, urgent call for the development of some common understanding or program on this whole subject.

In this case, however, as in so many others, the most urgent demand of the situation is not hasty action but careful analysis of conditions. It is not, says the "Journal of Commerce," in fact, a cheap gold dollar that is causing the present trouble, but a paper or credit dollar which has taken the place of gold and has driven both it and silver practically off from the monetary stage. Gold, although technically furnished in this country by way of redemption, is not currently demanded, as it would be if the rest of the world were not off the gold basis and practically disposed to prevent the circulation and use of gold as coin. In a new form the world is practically suffering from the old paper money disease whose symptoms have been well understood in the past, but which have now recurred in a new and less easily recognized form. Reduced, however, to its standard and well understood character, there is no difficulty in making the diagnosis of the case and in applying sound remedies to it.

FOREIGN TRADE, DRAWING BANKS TO NEW SERVICE

Assisting in the Development of Canada's Export Trade

PRUDENT LIMITS

Long Term Loans in Foreign Countries Not Desirable—Co-operation With Branches in Other Lands

Canada's increasing foreign trade, actual and potential, has resulted in the establishment of special foreign departments in the head offices of many of our banks. The foreign department of the Bank of Montreal, for instance, was established at the beginning of this year, in charge of Major S. C. Norsworthy and P. C. Harrison, inspectors.

The announced policy of the Bank of Montreal is not to establish branch offices at remote points but to cultivate close relations with the local banks of all countries with whom Canada has trade relations. This work is in charge of the foreign department. Arrangements have been completed whereby branches are now able to sell drafts and collect bills of exchange on all parts of the world with the exception of that portion of Russia still under Soviet control. In addition, the foreign department collect and keep on file credit information regarding foreign firms who are importers of Canadian goods, information regarding shipping routes, shipping procedure, trade conditions, etc.

In the matter of granting long term credits to finance exports there are well-defined limits beyond which it would not be prudent for banks to go, having in mind that their liabilities are payable on demand. The same principle which has led to our banks being forbidden by the Canadian Bank Act to lock up their assets in mortgages and other loans, not of a liquid character, would apply with double force to long term loans, dependent for payment on the industrial recovery of war-stricken countries. The British Government, recognizing this, has appropriated the sum of £26,000,000, which is being apportioned under the direction of the Board of Trade to finance exports to the unsettled parts of Europe. Under this plan four-fifths of any loss which may result is borne by the British Government and one-fifth by the exporter.

Our own Canadian Government, since the armistice, has granted five-year credits to Great Britain, Belgium, France, Italy, Greece and Roumania, amounting in all to $156,000,000. These credits were negotiated, and the details of shipment and financing arranged on behalf of the Government by the Canadian Trade Commission.

Not only have they been of material help in preventing dislocation of Canadian industry during the period of demobilization and reconstruction, but they may be regarded as Canada's contribution to the rehabilitation of Europe and worthy of her war effort.

It must be recognized, however, that there are limits beyond which a government—no less than an individual—may not safely extend credit. It will probably be felt that until the present discount on Canadian currency in New York can be rectified, either by a further increase in Canada's exports, or by Great Britain repaying a portion of her indebtedness to Canada, it will not be wise for Canada to commit herself to granting further long-term credits to European countries.

HOME BUDGET SYSTEM

Women Are Interested In Regulation of Expenditures

A novel plan for bank publicity and promotion and also for the instruction of women in banking matters has been put into effect by the Merchants' National Bank and Merchants' Trust & Savings Bank of St. Paul, Minn.

For several years a local newspaper has conducted a "Cooking and Homemaking School." This year the Merchants' National Bank and Merchants' Trust & Savings Bank, affiliated institutions of St. Paul, placed a booth in the schools. In the booth were women representatives of the institutions, with other representatives of the banks present at various times to assist.

The women who attended the school were given a booklet entitled, "Financing the Household," in which was a budget plan worked out for this territory by the University of Minnesota. As souvenirs they also received savings pass books on the Merchants' Trust & Savings Bank, each of which was worth $1 when an average balance of $25 for one year had been maintained.

John A. Oace, vice-president of the Merchants' National Bank, in speaking of the plan, said:

"It is our belief that, aside from the publicity feature, women are eager to know at the present time something concerning the household budget system and something concerning the handling of their households on a business basis as their husbands do their affairs. We found this to be the case; women were desirous of hearing anything that would aid them in planning their expenditures."

CONSIDER THE CASE OF THE BANK CLERK

Counters of Money and Keepers of Books Have a Champion in the West

The discussion of the question of courtesy and civility on the part of bank employees towards customers which has been carried on in the Calgary Herald, and which has been previously referred to in these columns, has brought a letter from "An Employee" who is highly indignant—and says so—at the insinuations that clerks are not as polite and considerate as they should be. He argues that bank employees generally return a high standard of service for what they are paid. His letter follows:

Editor, the *Herald*, Calgary,

Sir:—Some time ago a Mr. James Crowther, of Rockyford, used your columns to offer insult to the boys—and girls, too—who labor day and night in the public's service, generally uncomplaining and giving a brand of service, civility, and efficiency comparing well with that of any other public servants. Some 300 hours of such service in the past month has prevented me going to their defence ere this. I am surprised that no one has raised any objections to a man who would so slander bank employees. He goes so far as to accuse us, in effect, of being uncouth, dense, unrefined, profane — sweeping statements against the vehicles of trade and commerce in Canada—in fact, the core of Canadian industry. If such is the case, it is a sorry state of affairs. But who is to blame—the Canadian public? If we do not come up to the standard they have ambitions about it is because they are not willing to pay the price. Do they expect to get first-class material for shoddy prices?

Far be it from me to admit for one moment that we employees are lacking in comparative service, even with all the handicaps we have to contend with. It is surprising indeed, that so much gratuitous service and civility prevail among bank employees. There is a certain class among the public who have assumed the attitude of dictators to bank employees—feel indignant if we are not at their beck and call at all times—almost "Kaiserine" in their manner. I wonder do they ever stop to think how much service they do get from bank employees? They protect their property, do their bookkeeping, sometimes transact their business, and act as advisers and for little or no recompense—feel adequately rewarded by a good cheery, well-meant "Thank you;" and go more than halfway in a friendly grasp sometimes to be rebuffed if they use a little commonsense to protect their miserable pittance from being swamped by a forged cheque, impersonations, etc.

Of course, it never enters the ken of some customers that a bank clerk is human, and when a Mr. Rockyford makes his approach it very often puzzles them why he does not see $40,000 in deposits, many acres of virgin prairies, oil, cows and chickens indexed in indelible characters on the said Mr. Rockyford's countenance. Of course, a mere bank clerk has no right to have the audacity to question the veracity of a man who is likely to separate him from filthy lucre!

The kind who are human, and meet the bank employees half way, and use their commonsense, never have any cause to complain of incivility; but the arrogant and the autocratic will always find enough manhood in bank employees to give their pride a fall.

If Mr. Crowther is a champion of civility and courtesy, let me remind him it takes two to create such an atmosphere: and accusing country branch managers of density, and bank staffs generally, of profanity is hardly conducive to courtesy and civility, to say the least of it.

It would become a correspondent to the public press better if he were to advocate a remedy for an alleged unpleasant condition. Nowadays, everything is reduced to a question of dollars and cents, and if there are spheres where more efficiency and better service obtains than in banks, the public is willing to pay for it. So, Mr. Crowther, if you want an improvement along this line, "Put your hand down." Advocate a situation in Canadian banking conditions that will allow better salaries, or do your share in maintaining that labor be sufficiently rewarded. In other words, make service, efficiency, and productiveness worth while.

Thanking you, Mr. Editor, for a place in the daylight.

Yours truly,

Cost Accountant required with experience in refining of metals. State age, nationality, salary required and experience; also give references. Box 11.

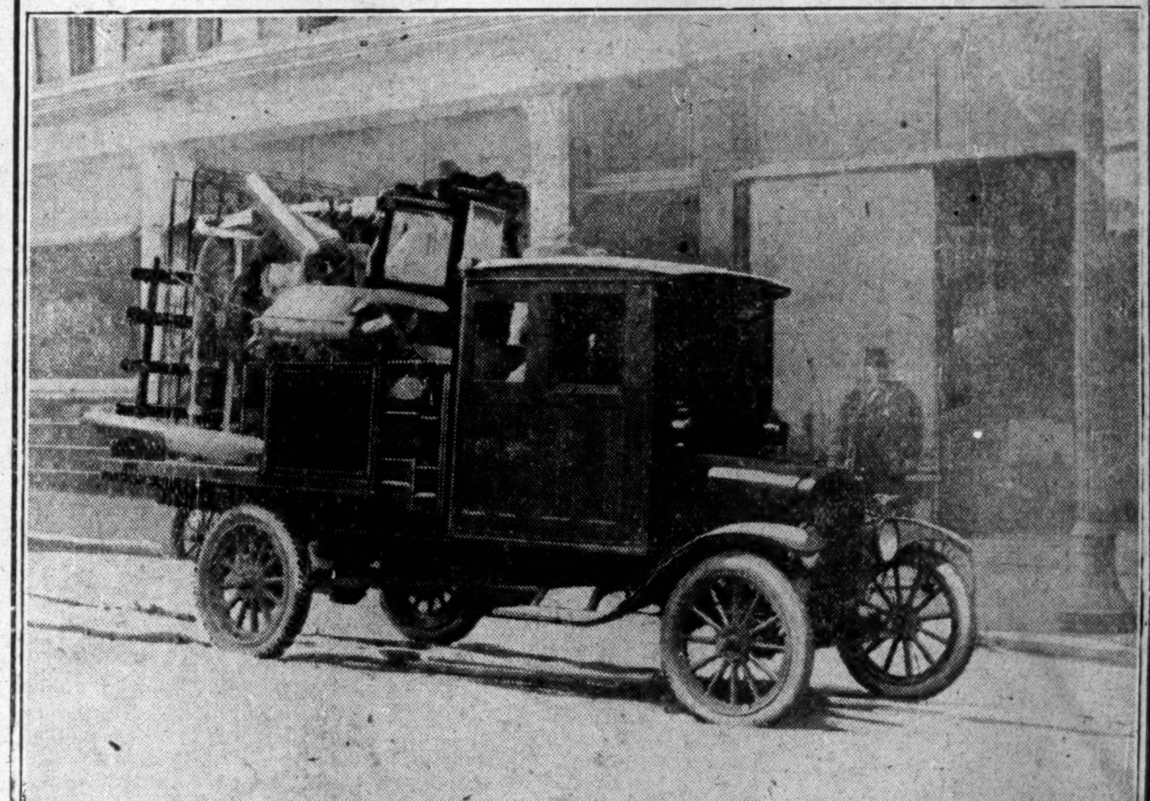
LIBERAL PARTY ADOPTS POLICY OF CONSERVATISM

Continued from page 1.

let the people know what they have done and what they stand for. Although at present not notably popular, they may be able to execute a come-back with the people of Canada before the next election, just as the Lloyd George Government, which seemed on the down-grade a few months ago in Great Britain, appears to be regaining the confidence of the people over there. The people of Canada will have time for reflection in the next two years; and if the Government will do a little to explain itself to them, it may be able to re-establish itself in public confidence. The addition of a few able business men to the Cabinet to take the place of some of the deadwood now in it would help its chances.

The obvious course for Sir Robert Borden to pursue would be to embark on reconstruction of his Cabinet, and the public must be wondering why this is so long delayed; but it is not so easy as it seems. Take, for example, the department of Trade and Commerce, where reform is long overdue. The situation there is that Sir George Foster must be provided for. He could have a senatorship; be made joint Librarian of the two Houses of Parliament with a good salary and deputy-heads under him to do the actual work; or anything else in reason. The difficulty is that he is bent on being appointed High Commissioner to Great Britain, will not listen to any other offer, and cannot be made to see why he should not go to London. The objections are that he is too old for the active performance of the duties as they should be performed, and has not the private means necessary for the man who gets that office. To send Sir George over there and appoint a young and active man Minister of Trade and Commerce here would still leave our commercial machinery lop-sided; good men are required at both ends. Meanwhile, at the most critical time, this important department continues to run along in the old slip-shod way.

—T.M.F.



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Subscribers are especially requested to report any instances of delay or non-delivery of THE POST.

PUBLISHED BY

THE MACLEAN PUBLISHING COMPANY, LIMITED

143-153 University Avenue, Toronto.

MONTREAL, Southam Building, 128 Bleury St., M. Foster; WINNIPEG, 1207 Union Trust Building, H. L. Southall; BOSTON, 734 Old South Bldg., C. L. Morton; NEW YORK, Room 620, 111 Broadway, A. R. Lowe; CHICAGO, Room 1401 Lytton Bldg., 14 E. Jackson St., H. A. Maguire; GREAT BRITAIN—London, The MacLean Co., of Great Britain, Ltd., 88 Fleet St., E.C., E. J. Dodd, Director.

TORONTO, DECEMBER 6, 1919

SHOULD GOVERNMENT KEEP RAILROADS?

THAT the return of all the railroads in Canada to private ownership is the solution of the national transportation problem has been argued by W. F. Tye, one of the leading authorities on the railway situation in Canada, before the McGill Canadian Club at Montreal. The people of the United States had learned a lesson from Government operation and were longing for the time when the roads would be given back to their owners, he said, and pointed out that the only successful Government railways had been in Germany where conclusions could not be drawn because the systems were part of the military machine and both cost of operation and revenue charges could be regulated to suit the conditions prevailing.

That the Government should regard the railroad problem as one which may be solved without the permanent adoption of public ownership on a broad scale will appeal to most people with a practical knowledge of the question. Even accepting the Government's argument—which we do not—that there was no other way out of the crisis than to take over the various roads, it does not necessarily follow that it is in the interests of the people of Canada that the Government should go into the transportation business on a big scale permanently.

As we see it, the business of the Government is not to run railroads simply because it made loans on railroad security which were defaulted, any more than it would be the business of a bank to do so under similar circumstances. The bank would, perhaps, take over the property temporarily, and handle it in a manner to realize the largest possible sum when conditions favored a sale. This is the course which the Government might very well consider—to maintain the properties in the most efficient conditions possible, to improve that condition if feasible even to the extent of further investments. and then dispose of them when this can be done to advantage.

The Government has made its mistakes in its policy of making advances and undertaking guarantees for railroad construction. These mistakes involve financial losses. It would be better to face these losses at once than to attempt a policy which will cover them for the time being, but lead to still greater losses in the future. It is a wise business man and a wise Government that knows when it is good policy to face one loss and thus prevent other losses.

MR. DRURY'S TOUR OF TRIUMPH

NOT having had the opportunity of conducting a political campaign as leader of the Farmers' party in Ontario, Mr. Drury is perhaps to be forgiven for giving a full quota of "election" speeches after his triumph. In any event, he is providing the people with an opportunity to study the policy of himself and his party and if some of his statements are optimistic with regard to the Government's programme, at least he cannot be accused of making pre-election promises.

The Government will favor an aggressive policy with regard to reforestation, according to the statements of the Premier at Toronto this week. Of this, there will be unanimous approval. The disastrous fires which have occurred in the Northern forests are but one indication of a neglect of provincial resources and potentialities which has been anything but a credit to the Provincial Government. Not only should the standing growth be effectively protected against fire loss, but common business sense demands that steps be taken to insure a new growth where timber or pulpwood is cut. Reforestation will mean the establishment of a Provincial asset which will increase in value from year to year.

Mr. Drury has also come out strong for good roads. In this connection he might well consider the possibility of the future of the motor vehicle for passenger and freight transportation, as compared with electric railways. This is a point which has a strong bearing upon the railway projects of the Hydro-Electric Commission which the Government will be asked to endorse.

This question of good roads in relation to radial railways was one of the important matters considered by the commission of engineering experts appointed by the Canadian Society of Civil Engineers to report on the proposed Hydro line from Port Credit to St. Catharines. This commission reported that the radial line would face a loss of about $500,000 a year—on a basis of costs much below that now prevailing—and favored a good roads programme as indicated by the following references:—

It is a striking fact that compared with the other provinces or other countries with a similar density of population, Ontario is notoriously lacking in good roads.

The cost of good roads is small as compared with radial railways. . . Every one of the thousands of users of an improved highway obtains a positive and direct benefit on every occasion on which he uses the road, by an actual and positive reduction of the cost of transportation.

The amount of money named as the estimated cost of the proposed Port Credit-St. Catharines Line would construct a system of "Good Roads" in this portion of the Province of Ontario, that would be so far reaching in beneficial effect as to be incalculable.

Considering further, that the cost of constructing the proposed railway between Port Credit and St. Catharines is only a fractional part of the amount proposed to be expended on a system of Hydro-radial railways, it is unnecessary to make further reference to the benefits which would accrue to the whole Province of Ontario through expending a considerable but proper amount on "Good Roads" instead of the proposed radial system.

If Mr. Drury will combine with a good roads policy—which will encourage agricultural development—a fair treatment policy for invested capital in the maintenance and development of natural resources, he will go far in providing sane and progressive government.

THE GOVERNMENT AND THE LOAN COMPANIES

IT is to be hoped that the members of the new Ontario Government are giving attention to the proceedings of the inquiry into the affairs of the Standard Reliance Mortgage Corporation and associated companies. Nothing could more emphatically indicate the startling laxness which has attended the administration of the Loan Companies Act by the representatives of the people at Queen's Park. Public opinion will demand more effective safeguards—and the loan companies themselves will endorse these demands in their own interests; it will be for the Government to provide such safeguards.

As THE FINANCIAL POST has frequently pointed out the trouble is not lack of legislation, but absence of effective administration. Such cases as the Dominion Permanent and the Standard Reliance reveal the absolute futility of having the companies submit voluminous reports and exhaustive figures if these are not analyzed by someone who has some understanding of them. We would, therefore, urge upon the new Government, as we have at various time urged upon the late administration, the advisability of the appointment of an experienced loan company man as superintendent of the department. This man would have a practical knowledge of the affairs of the various companies and would be able to tell from a consolidated balance sheet how the affairs of the company are going. He would be able then to immediately take steps to ventilate any such transactions as those which brought the companies referred to into trouble.

The public interest is only served by these investigations if they result in steps being taken to prevent a recurrence of disaster.

SIR VINCENT MEREDITH'S OPTIMISM

THE annual addresses of the president and general manager of the Bank of Montreal, presented at length in this issue, will be carefully studied by business men throughout Canada. Not only is the report the first of the series from the big financial institutions reviewing conditions in the whole country, but it merits special attention in view of the conservatism which marks the policy of Canada's premier bank. And it is because of this conservatism that the confidence with which President Sir Vincent Meredith views the future may well be regarded as optimism.

After pointing out that a reaction from the feverish activities and high prices produced by the war has not yet occurred, Sir Vincent observes that IT CANNOT BE SAID TO BE IMPENDING. There is less optimism with regard to the future than there has been, he says, but "the great pressure on our agricultural and manufactured resources caused by home and foreign demand shows no sign of abatement."

Sir Vincent evidently looks for some readjustment of living costs after another harvest with attendant influences upon wages and commodity values generally, but he points out that the readjustment promises to be gradual in view of the actual shortage of foodstuffs and other supplies throughout Europe. As to national financing he sounds a warning regarding the greatly increased debt and repeats the homely advice about hard work as the only means of providing that production which will enable us to carry the burden of war indebtedness. Foreign trade is also referred to in this connection. The necessity for long term credits is emphasized and the policy of the Government in taking the initiative in this connection heartily endorsed.

Readers of THE FINANCIAL POST will find much of interest in the opinion of Sir Vincent and the review of commercial conditions by Sir Frederick Williams-Taylor and may at the same time note general endorsation therein of the views on the business situation which have been expressed in these columns.

EDITORIAL NOTES

CHARLES M. SCHWAB tells us that the worst is yet to come—a "crisis even greater than the present labor crisis." He says: "We've all got to learn to be efficient and we've got to go through some sort of crisis to realize just what this means. The labor crisis is not big enough to produce the desired effect. It must be greater."

* * *

THE charges of profiteering in the United States coal industry like those heard with regard to the packing and other businesses in Canada are based upon capital stock and not upon invested capital or turnover. In this way the public is given an altogether misleading conception of earnings and margin of profits on turnover.

* * *

PREMIER DRURY of Ontario has made an unselfish mistake in refusing to take a salary of $12,000. If the position of Premier of Ontario is well filled $12,000 is little enough. The salaries of men in public offices should be made sufficiently high to adequately recompense those who fill them. Ability in the administration of public affairs deserves proper reward.

* * *

LORD LEVERHULME, at Toronto, declared that "the men who work whether with hand or brain are the men in whose lap the comforts and luxuries of the age should be poured, for they have earned them." If the average man should put the emphasis upon "WORK" and "EARNED" rather than upon "comforts" and "luxuries," the great economic and social problems would be much more simple of solution. There are comfort and luxuries for all who earn them, but there is danger that few will ever have these if a large faction used organized force to endeavor to obtain them without earning them.

The Government is Entitled to All Information Re Hydro

ON the 18th of November, speaking at London before the Ontario Municipal Electrical Association, Sir Adam Beck quoted THE FINANCIAL POST to the effect that the Federal Government stands ready to deal with the Hydro municipalities for disposal of the branch line of the Grand Trunk Railway. "The Government is ready for such action," he said, "because it is the hope to unload the non-paying branches on the Hydro-Electric Power Commission, but when negotiations are undertaken the Commission will be represented by engineers and other experts, who will be a guarantee that nothing will be put over."

In these words Sir Adam Beck assures the municipalities of the Province of Ontario that the Dominion Government and the Canadian National Railways and D. B. Hanna will not be able to unload any railway lines upon them which are not paying or might not pay, as he will see that they are fully protected by **"engineers and other experts, who will be a guarantee that nothing will be put over."**

THE FINANCIAL POST has for some years been arguing continually that the Ontario Government, before giving any financial guarantees in connection with Hydro-Electric or Hydro Railway matters, should be protected by independent reports of **engineers and other experts, who would be a guarantee that nothing would be put over.**

The fact of the matter is that the Ontario Government has committed itself to back Sir Adam Beck to the extent of two or three hundred millions of dollars without having had any such independent engineering and expert advice. The new Farmers' Government is asked to endorse all the guarantees and liability of the past, and to assume all of the liability in connection with the new radial railway projects, also without any independent engineering and expert advice. And to also endorse the continuation of this policy for a ten year period.

Gigantic Projects Are Involved

What is "sauce for the goose is sauce for the gander," and if Sir Adam Beck enlists the protection of engineers and other experts to protect himself in the matter of the purchase of branch lines for his radial railways from the Canadian National Railways, how much more should the Farmers' Government insist upon similar protection in connection with the millions involved in the huge enterprise called the Hydro-Electric Power Commission, which includes:—

1. The operation of the original Hydro-Electrical Commission as designed by Sir James Whitney, which was for the construction of transmission lines to convey 100,000 electrical horsepower to the municipalities in Western Ontario.

2. The financing and operation of the new Hydro-Electric Commission as designed years ago by Sir Adam Beck, extending the plans of Sir James Whitney, and including the purchase of the Ontario Power Company for $22,000,000 and upwards, and the Seymour Power Company in the Trenton district for $8,000,000 or $10,000,000, and the financing and operation of these power plants, thus making the Government a generator of electrical power in competition with the other existing power companies and with the American power companies in the Niagara Falls district.

3. The design, construction and operation of the Chippawa Power Plant at a cost of say $50,000,000 (for it will not be less and may be much more), in which arise questions of hydraulic engineering, electrical engineering and civil engineering of the most difficult character, as well as financial and commercial consideration of the very last importance.

4. The design, construction and operation of a network of electric railways in the Province of Ontario at an estimated cost of $200,000,000 (it will not be less and may be more).

5. Nor do the ambitions of Sir Adam Beck stop at the above, for he is now negotiating at Ottawa with the Dominion Government in an attempt to secure the design, construction and operation of power plants on the St. Lawrence River at a presently estimated cost of not less than $300,000,000.

What Experts Have Reported

During the whole of the time in which Sir Adam Beck has held office his plans have only once been submitted for engineering and expert opinion, which was done by the Citizens' Committee of Hamilton in 1917, when Sir Adam Beck proposed to construct an Hydro-Electric railway from Port Credit to St. Catharines. The commissioners were appointed by the Engineering Society of Ontario, and their report was summarized in THE FINANCIAL POST in its issue of November 22nd last, with the names of the commissioners, all gentlemen of the highest engineering, financial and commercial standing, who reported amongst other things that "there will be a yearly deficit arising from the operations of this line of $485,356.00."

Is it unfair or unreasonable to suggest that if the plans of Sir Adam Beck for the various radial railways, in respect of which by-laws are now being submitted to the ratepayers, were submitted to this same independent commission, or to any other commission composed of independent engineers and other experts, that similar adverse reports might be made?

So much doubt and suspicion has been cast upon the operations of Sir Adam Beck that for his own protection he might have been expected to obtain for himself against these attacks such independent engineering and expert advice as he will obtain, according to his own words, in his dealings with the Canadian National Railways.

People Entitled to More Information

If he had had such independent advice in the past or to-day, and had published it in connection with properly audited reports and statements so that the Government and the public could have been fully informed, he might then claim and receive the support of the Dominion Government and of the Ontario Government and of the public generally, although hardly the right to continue his dictatorship for ten years.

Sir Adam Beck has always appointed his own engineers and advisors, and everybody knows how usual it is for engineers to adopt and support the plans of their employers. This is not said with the idea of impugning the honesty or ability of his engineers, but expert opinion can always be found on both sides, and the real business way wherever doubt exists is to insure absolute independence in engineering judgment, as far as that is possible. Sir Adam Beck has had a number of engineers; they come and go. P. W. Sothmann, an engineer of German birth, who was one of the originators of the Hydro-Electric operations with Sir Adam Beck, is reported to have made the statement that the latter gentleman was always opposed to radial railways as the municipalities did not need them and they could not be made to pay, but Sir Adam had been converted by the argument that if he were to engage in the generation of electrical power on a large scale, he would have to find a market for the power and the best way to find such a market would be through radial railways.

Even though Sir Adam Beck were credited with absolute honesty and the highest motives and with the engineering knowledge in these highly technical matters which he may have acquired, is that sufficient reason why he should be entrusted with the dictatorship and sole supervision of the enormous enterprises which have been referred to, and to the extent of pledging the credit of the Province to a total sum running into hundreds of millions of dollars?

It must be remembered that although the Hydro-Electric Commission is nominally composed of three members, the other gentlemen sitting on the Commission with Sir Adam from time to time have never been, nor claimed to be, engineers or experts in any branch of the Commission's work.

Hydro Has No Real Claim to $5,000,000

Sir Adam Beck is to-day urging a claim before the Dominion Government of $5,000,000, which he says should be paid to him because in war time he had put in a third pipe in the plant of the Ontario Power Company to increase the quantity of power for munitions and other purposes, under orders from the Dominion Government; also that he had been forced to pay customs duties amounting to $2,000,000 or thereabouts upon the plant and equipment necessary for the Chippawa power project.

It never seems to have occurred to Sir Adam that if the adding of the third pipe was not part of his plans, he could have asked the Dominion Government at the time if they would bear the whole or part of the expenditure on the ground of national emergency, as the Imperial Munitions Board was doing every day. He never could ask for repayment in respect of the duties because the Dominion Government would have said to him that it was quite impossible for him to finish his Chippawa power project during the duration of the war.

The effect of the war was to increase the market demand for Hydro power, but there is no evidence that the Hydro Commission produced one additional horsepower to meet that demand.

PERSONALS

J. W. W. STEWART, the managing director of the Monarch Life Assurance Co. of Winnipeg, who has been spending a few weeks on the Pacific Coast, is returning to business early this month.

WILMOT D. MATTHEWS, who held nearly twenty-five directorships in Canadian companies, left an estate of $2,291,163, his will shows. Mr. Matthews died on May 24 last. Close relatives comprised the list of beneficiaries. Mr. Matthews was president, vice-president or director of the following corporations: Canada Foundry, Consolidated Mining and Smelting, Canada Permanent Mortgage Corporation, Canadian General Electric, Dominion Bank, Confederation Life and many others.

MAJOR-GENERAL E. W. WILSON, C.H.G., will be tendered a banquet by military men and civilians of Montreal on December 13th, on the occasion of his retirement as Officer Commanding Military District No. 4, which he held during the entire period of the war. A move has been made by a number of leading citizens to give a banquet to Major-General Wilson and it was decided that the military and civilian affair would be combined. Gen. Wilson is known in the business world as general manager of the Montreal office of the Canada Life Assurance Company.

ROBERT FLEMING, who has become associated with L. M. Wood and T. C. Wood in the financial firm of Wood, Fleming & Company, is a son of Sir John Fleming, of Aberdeen, Scotland, and a nephew of Robert Fleming, the eminent Scotch banker and financier. He has been in Canada for some years. Mr. Fleming went overseas with the 37th Battalion and served in France with the 3rd Pioneers, C.E.F., and the Canadian Railway Construction troops. Before the war he was engaged in railway construction work in Canada as a general contractor. His brother, John D. Fleming, is a member of the engineering and financial firm of J. G. White & Co., of London and New York.

F. G. O'GRADY, who was elected a member of the Board of Directors of Atlantic Refineries has held the position of general manager of the company for the past three years, and much of the credit for the great success of the company, starting into a field with keen competition, is attributed to the general manager. Mr. O'Grady, previous to the time that D. Lorne McGibbon secured his services, had been assisting Edward F. Sise, who then was president of the Northern Electric Company, in organizing the British Munitions Company at Verdun for the Imperial Munitions Board. Prior to that he was associated with the financial firm of R. J. Younge & Company. His first connection with financial affairs was with the Merchants Bank, and this was followed by ten years as secretary-treasurer of the Canada Iron Foundries.

LIONEL H. CLARKE, newly appointed Lieutenant-Governor of Ontario, is a man who has been connected with a dozen big Government undertakings and yet has never been in political life. About thirty years ago Mr. Clarke came to Toronto, and he has been active in the grain business. He is President of the Canadian Malting Co., Ltd., and, up until the Dominion Government appointed the Wheat Board, Mr. Clarke was a member of the Board of Grain Supervisors. For one year he was President of the Toronto Board of Trade. He was also for a time Toronto's representative on the York County Good Road's Commission. He was a member of the Canadian Niagara Falls Park Commission. When the Toronto Harbor Commission was organized seven years ago, Mr. Clarke was appointed chairman, which position he has occupied up to this present time.

JOHN E. FURNESS, managing director of Furness-Withy & Co., at Halifax, is leaving Halifax to reside in England, after making Canada his home for the past sixteen years. The Halifax "Chronicle" in an editorial regretting his departure, as a loss to the business and social life of the city, states that under his direction the company's business was largely developed, and expanded in every direction. The Furness line has long been the most important steamship connection which Nova Scotia had with the Old Country.' The development that has taken place was due mainly to the enterprise of Mr. Furness and his faith in Halifax as a seaport. He took a very deep personal interest in the welfare of Halifax and Nova Scotia as a whole, and "with characteristic generosity was always ready to respond heartily to any movement for the betterment of the city and province.' While living in Halifax Mr. Furness identified himself with the School Board and the city council.

E. M. KNEELAND, of Winnipeg, the newly appointed member of the directorate of the Merchants Bank is a Westerner whose interests are entirely centred in the wheat business and his election is an indication of the growing importance of our Western country in the minds of the powers that be in our Eastern banks. Mr. Kneeland, who is a naturalized Canadian subject, having been born in the United States of Canadian parentage some 50 years ago, has devoted his whole life to the development of the grain business in the United States and Canada. He is now general manager of the British American Elevator Company, vice-president Port Arthur Elevator Company, vice-president Saskatchewan Elevator Company and Liberty Grain Company. He is a director of the National Elevator Company, Home Grain Company, Grain and Produce Exchange, Traders' Building Association, Canadian Bond & Mortgage Company, all of Winnipeg, and he is, of course, a member of the Winnipeg Grain Exchange.

THEO. P. SHONTS, who never appeared to be much of a sentimentalist and who never was mentioned as being musical, crops up through the inventory of his estate to have had a passion for old violins. Each violin he possessed was the handicraft of one of the masters. The New York "Sun" gives this list of his instruments: Chief among them is a violin inscribed "A. Stradivarius. Cremona, 1715." Next on the list is one wrought under the hand of Nicholaus Amati. It bears his name and the words: "Filius Anthony, fecit anno 1622."

Continued on page 11.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

EASTERN MINING

H.C., Guelph.—Would you please favor me with your views as to the advisability of purchasing a number of shares of the Eastern Mining and Milling Co., whose plant is situated near Sherbrooke, and whose head office is in Toronto? Shares have a par value of $1, but are now apparently selling for 50c each, but they are not listed on any exchange.

The future of the Eastern Mining and Milling Company, Ltd., is dependent largely upon the price of copper. The Huntingdon Mine, near Sherbrooke, owned and operated by this company, has large bodies of mining ore that can be made to turn in a good profit while copper sells at above 15 cents. Below that the mine becomes unprofitable. The company is honestly managed, and the men behind it, who are all experienced mining men, seem to be making a real attempt to turn the mine into a dividend producer. The capital has recently been increased from $600,000 to $1,500,000, but it is not expected that more than about 400,000 shares of the new stock will have to be issued. Most of it has already been subscribed for, and there has been serious attempt to get the general public to invest. It looks like a good speculation but you should be prepared to lock your money up for a few years if necessary as further development work on the property will probably eat up profits for a while. There is no doubt that the property has ore bodies rich enough to pay substantial dividends in the course of time on the authorized capital of the company, providing copper keeps up around its present prices.

GOLD CENTRE MINES

R.L., North Bay.—Can you give me any advice on Gold Centre as a buy as per cutting? Do you think there is a chance of a rise in price?

We would not advise buying stock in the Gold Centre Mines except as a long shot specuation. The property acquired by this company, may have potentialities, but as there has been no serious development work, it is as yet a gamble from the standpoint of production. The fact that the property is half way between Dome and Hollinger, as the map appearing in the company's advertisements shows, proves nothing. If the value of mining properties could be determined by such methods, one might be impelled to inquire why stock in the Apex Mine, which occupies an equally attractive position on the map as you will notice, is selling at around three cents a share.

The manner of financing the company should lead to serious consideration. One or two statements in fine type in the Statutory information might be carefully noted. One authorizes the payment of a commission not exceeding 25 per cent. to brokers securing subscriptions, while in the body of the advertisement you are told "No commissions. No brokerage." Nor does the prospectus state how many shares have been given in exchange for the property.

K. & S. TIRE

Enquirer, Wallaceburg.—Will you be good enough to furnish me with a report upon the K. & S. Canadian Rubber Tire Co., along with your candid opinion of the affairs of this company?

We would classify the K. & S. Tire and Rubber Goods proposition as a good business man's investment. The manufacture of automobile tires is now being developed on the scale of big business and in our opinion competition will be more keen in the future. The Kelly-Springfield Tire has a national reputation and the record of this company would indicate that it is meeting with a good market in Canada. Thus you have a good product and a market which has been growing rapidly and promises to continue to expand. It is also of importance that the directors include a number of business executives of high calibre and this should insure careful and efficient management. With a well-known product, a reasonably assured market and efficient management the concern should have a successful future. In connection with the terms it should be noted that the common stock bonus has a par value of $25 as compared with $100 par value of the preferred.

TWIN CITY TRACTION

J.M., Westmount. — Your article re Twin City Company on page 6 of your issue of 22nd is not very clear to me. You say the proposal is for a cost of service plan which includes a return of 7% on invested capital. Then you say the city is not to guarantee any fixed return, the company getting 7% if it can earn it. If the company is permitted to charge enough to give them 7% on cost plus capital, why should there be any doubt?

Under the proposed new franchise of the Minneapolis Street Railway, which is to be voted on December 9th, the company is to be permitted to earn a 7 per cent. return on a valuation of $24,000,000 and one per cent. over and above interest charges on new capital invested for authorized extensions, new lines and improvements, except upon failure of the company to obey orders of the city council, when it shall sacrifice one per cent. of its capital return during the period of its dereliction. There is evidently no other way for the company to earn its 7 per cent. except to increase the fares, although it was provided that the initial fare is to remain at five cents. It may be accepted as inevitable that fares must be increased in order to earn 7 per cent. and to place the company in a position to command additional capital for the improvements and extension.

ASBESTOS CORPORATION

Woodstock, N.B.—I have forty-three shares common, ten shares of preferred, and ten bonds in Asbestos Corporation. In view of the present quotations would it be advisable to sell, or in your opinion do you think the present prices will be maintained, or probably advanced?

As to whether present prices will be maintained or not, we believe firmly that they not only will, but that they will advance. The present price of the common stock is around 87, the preferred around 99, and the bonds are selling at 77 and accrued interest. Both the common and the preferred have sold a few points higher this year during the recent rise. These prices may be said to be discounting an increase both in the common and preferred stock dividends. As you may be aware, the company must from now on increase its preferred dividend as it increases the common, now that the common is at 5 per cent. This will leave the preferred always 1 per cent. higher dividend than the common.

As far as we can learn, the present year which ends on 31st December, will show up equally as well as last year, which showed a remarkable increase over the previous year. Apart from a brief lapse in business following the armistice, we are informed that the corporation has found a ready market for all it could turn out. This has included large shipments to Japan, and the United States, and also a considerable amount to England. The last mentioned market, it would appear, has not been quite as good as during the war, but Japan has taken far more, and promises to be one of the best customers.

So far as the future of the Asbestos Corporation is concerned, with far the greatest part of the world's supply in Canada it would seem reasonably certain that the dividends will gradually be increased. Indeed, there is the possibility that some action will be taken at a meeting of the board of directors which will be held on December 20th, although it would not be wise for you to count on this until it actually takes place. The company can sell all it produces in the world market, and it would appear also certain that it will continue to do so for many years to come. So far as we can learn there has been no drop in the price that was obtained during the war nor has there been any appreciable decline in the demand for the Canadian product. We therefore feel that it would be to your interest to hold your common stock, your preferred and your bonds with a view to receiving an even better price for them than you would to-day.

DETROIT UNITED

H. E. P., Quebec.—I bought Detroit United at 106. That stock went down while nearly the whole list went upward. Do you advise to sell at present price and buy some pulp and paper stocks, with better prospect to get my money back?

We would not advise you to sell Detroit United at the present price, which is slightly below par. The best information we have is that this stock will not remain for long at this present figure. We believe that the reason that it does stay down is partly due to the pronounced weakness of the majority of other electrical railway companies and securities, and also to the fact that the company has had some troublesome litigation with the City of Detroit for the last year or two. All the information we can get is to the effect that Detroit United is in a strong financial position, and with the increased fares that were lately brought into effect and with the possibility of further increases when the present arbitration proceedings are over, we believe that the profits of the company for the next year will show very much higher than they did the past year. The company is well managed and in the City of Detroit it possesses a centre that has been growing very rapidly through the development of the automobile industry, and promises to keep up pretty well the rate of growth it has shown for several years past. The location of motor car plants in Detroit makes it necessary for a large portion of the workers from there to use the street cars in order to reach their work, and this condition is likely to continue.

It would appear that most of the trouble between the company and the city over the franchise affair, etc., is pretty well at an end, and after the last defeat it would seem unlikely that the question of the city taking over the railway will be revised for some time to come, at least. There is a feeling also that at some time in the near future a proposal will be made for dividing the company up into two parts, one taking care of the urban lines and the other of the radial lines outside the city. If this is done it is said that the stock will be divided in two and the shareholders stand to gain by whatever arrangement is made. It is well to remember also that Detroit Railway was one of the very few, if not the only radial line that was able to keep up its dividend payment, namely 8 per cent., during the period of the war, in spite of the heavy increases in operating costs. At the present price, and even at the price which you paid for the stock, namely 106, you have a return on your money which must be considered satisfactory, even without the very probable appreciation in value of the stock that we believe will take place within the next few months.

SPECULATING IN FRANCS

W.B., Sherbrooke.—What do you think of buying Francs for an investment and is it better to deposit them in France so as to draw the saving bank interest or to buy French bonds? In that case what would you suggest to buy?

In speculating exchange, you must not forget several factors that enter into the transaction. There is a possibility of the exchange rate taking longer than you expect to get back around normal. There is the fact that your investment is less easy to liquidate on short notice than if you held sound Canadian securities. If you deposit your money in a French bank you are taking the risk of the bank becoming insolvent, and if you buy French Government bonds you must remember that they mature only at the option of the French Government and in the case of the 1917 four per cents, not before 1944. These are the drawbacks to such an investment. If you have a sum of money that you can spare for a few years, and if you are careful to select a strong financial institution to deal with, an investment in francs or French bonds offers attractive possibilities. In addition you are helping Canada's export trade, for every French bond you buy means a credit extended to France by Canada for that amount.

There is some difference in dealing in francs and bonds. A draft on Paris for 1,000 francs can be bought now for about $125, as against the normal rate of about $193. If you deposit the money in a French bank you will draw about 2½ or 3 per cent. interest, and when francs rise, if they do, you can send for your money and realize on your investment. If francs were to return to normal in five years your return on 1,000 francs would figure out at about 60 per cent., or about 12 per cent. per annum. In this connection it might be noted that one of the larger Canadian banks has established a branch in Paris and is dealing in transactions such as this.

French Government bonds, 1917 four per cents, are quoted in Paris at 72. That means that at present rates of exchange you could buy a 1,000 franc bond through a Canadian bank or investment house for about $88. Your coupons could be cashed at current rates of exchange in Montreal or New York, and if exchange rates do not move up or down you would draw about 5½ per cent. on your investment. If exchange rates go to normal your rate of income would go to nearly 9 per cent., which you could draw until the French Government calls in the bonds, which will not be before 1944. If the price of the bonds in Paris should return to par, which is unlikely for some years yet, however, you would make an additional profit from this source.

It will be seen that purchasing French Government bonds seems to offer the better of the two opportunities to profit by the present abnormal exchange rates.

THE DEMANDS OF LABOR

The Bankers Magazine

We have fallen into the bad habit in this country of speaking of capital and labor as two separate elements in production and exchange whose interests are different if not actually hostile. It may require a great deal of time and much trouble of one kind and another to reform this habit. For the present we shall have to continue to use these two terms in discussing the relations between the employeed and those who own industrial enterprises or direct them.

The United States is passing through a period of great industrial unrest, marked by what in times not very remote would have been regarded as exorbitant demands on the part of labor. These demands almost invariably are being granted, in some cases immediately and in others after strikes usually of short duration. But even these concessions do not permanently settle the difficulties involved. No sooner is one set of demands granted than another and greater is made. In short, there seems no end to the calls for more and more pay on the part of workers. No small part of this insatiable demand arises out of the advance in wages and the shortening of hours of labor. Could the owner of an industrial establishment always be assured of recouping wage advances out of the increased price of his product, he might be comparatively indifferent to almost any advance whatsoever, provided only that his competitors in the same line of manufacture made similar increases.

But there is evidently a point at which the buyers of commodities will balk; they will refuse longer to pay the price. At the present moment we do not appear to have reached that limit, for considerable testimony exists to the effect that there is an almost reckless disposition to buy articles of the least practical use without regard to price, and that those who are displaying this tendency do not belong among those usually considered rich. It is feared that this disposition must be charged with a heavy share of the responsibility for what we are all fond of calling the high cost of living, but which the late James J. Hill more truthfully characterized as the cost of high living. Apparently not much good can be accomplished by inveighing against this tendency. The public seem madly bent upon spending all they earn and more too. Few vices are so readily copied as the vice of extravagance.

While the tendency above described persists, how can we expect any cessation in the demands of labor for increased pay? The world is running at a rapid pace, and it requires plenty of fuel to keep the machine moving abreast of the procession.

And yet the limit of this mad scramble for more money and more goods may be nearer than some of us know. The announcement of its coming may be as sudden as a bolt from the blue. Mindful of its economic history of this country and of all countries, it is a grave responsibility which any one assumes by continuing to act, in the light of such experiences, as if extravagance and rapidity were never to encounter a day of reckoning.

The Currency Position

Do you know how Canada's position compares with that of other countries? A question of grave concern to bankers, statesmen and investors the world over, well set forth in the new issue of the

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PERSONALS

Continued from page 10.

A third violin is stamped: "Jacobus Stanier in absant prope Oenipontum, 1644." The maker of a fourth was J. Delote Zonznn in 1760. The name and date are carved in the wood. From the Berlin workshop of Ludwig Neunar, who made violins of unique quality long ago, came a fifth instrument. In his apartment at 930 Park Avenue, Mr. Shonts, it is said, amused himself with the rich tones of his old masters. The value of the instruments is not listed and will not be made known until experts appraise them for the transfer tax due the State.

JOSEPH OKOLOWICH, the first Consul-General of the Polish Republic, representing them in Canada, has arrived in Montreal. Before the war Mr. Okolowich was well known in politics, but enlisted in the Polish Legion early in 1914. He will endeavor to increase business relations between Canada and Poland.

COL. G. A. STIMSON, who died in Toronto on Thursday, was head of Geo. A. Stimson & Company, investme brokers of Toronto, and had been in financial work in Canada for many years. He was known as the dean of Toron bond dealers. Col. Stimson was also well-known military officer, and was s ond in command of a battalion dur the South African war. He was a commandant of the Canadian Bisley team in 1911. Col. Stimson was born in Ingersoll, Ont., sixty years ago and in 1891 obtained a commission in the Royal Grenadiers, rising to the rank of lieutenant-colonel, which post he held from 1902 to 1907. His death was very sudden; he attended a dance and theatre party on the previous evening and was found dead in his room Thursday morning.

HENRY CLAY FRICK, the millionaire steel manufacturer whose death occurred this week, became a prominent figure in Wall street on the organization of the United States Steel Corporation in 1901. He was a director and a member of the executive committee of that organization almost from its inception. According to a general belief among financial men, he yielded a greater influence than any other man in directing the policy of that corporation. Financiers familiar with Mr. Frick's interests estimated that his fortune was not less than $200,000,000. His career has formed one of the most fascinating chapters in the romances of industry in the United States. As a boy on a farm in a family of only ordinary means, he was at sixty a man of so many millions that his fortune, like those of Carnegie and Rockefeller, was largely a matter of guess-work, even to himself. Mr. Frick built up the greatest cake business in the world, and acquired such vast interests in steel that he was also one of the principal magnates in that industry, and in rounding out his career he became known as one of the world's greatest collectors of master paintings.

NORMAN M. CAMPBELL has resigned his position as General Sales Manager of Canadian Ingersoll-Rand Co., Limited, and as a director of that company, and has been appointed managing director of General Combustion Co. of Canada, Limited. Mr. Campbell joined the staff of the Canadian Ingersoll-Rand Co., Ltd., in 1900, as manager of their Toronto branch and was moved to Montreal to take a similar position there three years later. In 1900 he was appointed general sales manager of the company, and during his tenure of that position he has had the satisfaction of seeing the company grow from the very modest concern to its present status as one of the largest manufacturing plants in the iron and steel industry of Canada. In the General Combustion Co. of Canada, Ltd., Mr. Campbell will have associated with him Dr. Milton L. Hersey and Henry H. Vaughan, both very well known figures in engineering circles in Canada. The company was recently formed to exploit in Canada and Great Britain industrial furnaces for annealing, forging, heat treating, etc., under the well known Sklovsky patents.

Letters to the Editor

TORONTO AND IAL
Editor, THE FI
Toronto.

Sir:—Is Toron Radials? Why over $4,000,000 here to Bow the popu rai

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NEWS OF THE BOND MARKET

MARKET READILY ABSORBS ISSUES FOLLOWING LOAN

Victory Campaign Did Not Use Up All Country's Money

MARKET POSITION

Firm Market is Looked For as Exchanges Are Unsettling Factor — Small Issues Placed Privately

The extent of the market in Canada, and particularly in Ontario, for the better class of investment securities has been well demonstrated this week. Three large issues of provincial and municipal bonds and sundry smaller issues of debentures have been disposed of. The New Brunswick, the Toronto and the Ontario issues were placed within two or three days. This does not necessarily mean that the bonds reached the ultimate investor so quickly. Smaller bond dealers take blocks of the bonds from the syndicate dealing with the principal and in many cases these smaller dealers prefer to hold on to their bonds for a while in the hope of finding a better market for them. But the fact that the demand for each of these three issues, totalling around $9,000,000 has been greater than the supply, following on the successful flotation of a Government issue of nearly $700,000,000 is evidence of Canada's ability to absorb high-class securities.

Sell at Yield of 5¾ Per Cent.

All of these three issues have been placed at prices to yield 5¾ per cent., an indication of the firm tendency of the market. Bond dealers look for a continuation of the present firm market. In any event it is thought that there can be little change in the present position, in view of the fact that the $700,000,000 worth of Government bonds just issued at 5½ per cent. must determine the developments for some time to come. For that reason bonds will be sold at a yield based to a large extent on the yield of the "Victorys," due allowance being made for the difference in the security behind each issue.

Exchange a Bad Factor

The really unsettling factor in the situation is the uncertainty of foreign exchanges. With sterling at $4.13 we cannot look to England to absorb Canadian securities, and thus the United States is left as the only market for any surplus of bonds not taken up in Canada. The American bond market at present is an uncertain quantity and its condition, even with a 5 per cent. premium on New York funds is not such as to lead one to believe that Canadian bonds would be welcomed.

Just now there are no further large issues in sight until after the New Year, although the surprise announcement of the Ontario $4,000,000 loan makes predictions of that nature uncertain. The Government of Newfoundland is calling for tenders for the purchase of bonds amounting to $1,000,000, bearing 5½ per cent. interest and payable July 1, 1929. Principal and interest will be payable in Newfoundland, Montreal, Toronto or New York.

A number of small issues have been disposed of by private negotiation. Turner, Spragge & Company have taken $46,450 debentures of the township of Nelson, bearing 6 per cent. interest. The debentures are repayable in twenty annual instalments.

Verdun Refuses to Pay 6 Per Cent.

The Toronto issue was sold at a cost to the city of about 5.90 per cent. and most of the other issues that have been placed since the reopening of the bond market have been sold at around 6 per cent., yet there is evidence that not all the municipalities are disposed to pay this much for their money. The City of Verdun this week rejected a tender for an issue of $225,000 that would have cost them 6 per cent. The councillors thought the bid price, $94,298, too low.

Several additional money by-laws have been added to the list that are to be voted on around the first of the year, and there is sure to be a plentitude of new bond issues on the market early in the year.

An indication of the attitude of the bond houses to issues of the smaller municipalities is seen in the sale of a small block of $7,500 debentures of the town of Grimsby. The Canada Bond Corporation was the successful tenderer, bidding $7,428. This is slightly under 6¼ per cent. The tenders were:

Canada Bond Corporation	$7,428.00
R. C. Matthews & Co.	7,368.52
G. A. Stimson & Co.	7,360.75
Graham, Sanson Co.	7,352.25
C. H. Burgess	7,287.00

AMERICAN BOND MARKET

A Further Decline Was Suffered During Last Week

NEW YORK.—The bond market suffered another severe decline last week, which extended to all classes of bonds. At no time during the war, or in industrial panics of the past, did bonds show such extreme weakness as during the week just closed. The average price of corporation bonds including railroads, public utilities and industrials get down to new low levels for all time. All the Liberty Loan 4's and 4¼'s registered new low prices, and both Victory Loan issues did the same. Liberty Loan 3½ per cent. bonds were a conspicuous exception to the general trend, holding steady around par with most sales made at a slight premium. Foreign issues, although quiet, acted in harmony with the general list, usually showing severe declines at the week's end.

VERDUN REJECTS OFFERS FOR BONDS

Highest Was 94.298 Compared With 97.87 Made Two Months Ago

By Resident Representative.

MONTREAL.—The City Council of Verdun, after two meetings this week, decided to reject all six bids that had been submitted for an issue of $225,000 of the city's bonds on the ground that they were not high enough. New tenders will be asked for within the next three weeks. The vote for rejection was four to three.

Last September an offer had been received for 97.87, which is over 3½ points above the highest tender submitted this week, one for 94.298 by Rene T. Leclerc, representing 6 per cent. On the former occasion it was decided, as there had been no competition, to reject the offer. The Mayor this week spoke strongly in favor of accepting the highest bid. While one financial man urged him to wait a few weeks with the idea that the market might be more favorable, others had predicted that the market, with many large issues being thrown upon it, might not be as favorable even as at the present time. The Mayor, therefore, did not think that there would be much gain by waiting as there was no assurance that the market would be better or even as good in three weeks' time, and in the meantime interest was piling up on the City's overdraft at the bank. Some of the Aldermen on the other hand pointed out that the highest tender was $8,000 less than one that had been received in September and they felt that the market would strengthen by the time tenders are asked for again. Their views finally prevailed by a majority of one.

Rene T. LeClerc	94.298
Credit Canadien	94.29
Versailes, Vidricaire and Boulais	93.5
Foster, Barrett, Riepert & Son.	92.835
A. E. Ames & Co.	92.06
Municipal Debenture Corporation	91.6155

UTILITIES SHOW SURPLUS

Edmonton Has Substantial Margin After Meeting Charges

A statement of the October operations of the Edmonton Public Utilities, issued by City Comptroller D. Mitchell shows a net surplus of $15,453.47, as compared with a deficit of $8,333.32 for the corresponding month of the year, after providing for capital and depreciation charges.

The gross earnings for the ten months ending October 31 were $1,690,763.69, while operation and maintenance amounted to $934,225.36, showing a surplus on operation of $755,538.33, as against $638,140.68 for the same period of last year; and after including capital and depreciation charges there is a net surplus on all the utilities (inclusive of the deficit on the street railway) for the ten months of $120,697.84, as against $8,624.95 for the corresponding period of 1918.

PLAN FOUR TOWNS

Commission Suggested for St. Catharines Area

It is likely that a town planning commission will be appointed shortly in St. Catharines to plan for guiding the future development of the town on scientific lines. The commission may even be extended to take in representatives of Thorold, Merritton and Port Dalhousie, in order that the four municipalities may work together to plan out the entire district from the Welland ship canal to the other side of Thorold.

The suggestion was made in St. Catharines recently by Thomas Adams, town planning expert of the Commission of Conservation, who addressed a joint meeting of the Canadian Club, City Council and Board of Trade.

THE CONTROVERSY ABOUT TENDERING IS AGAIN REVIVED

Sale of Ontario Issue by Private Negotiation the Cause

PETER SMITH SEEN

Provincial Treasurer Says Delivery Completed and Statement Will be Made in the Budget in Due Course

The old controversy as to whether the policy of calling for tenders in connection with provincial or municipal bond issues should be consistently followed has been again revived in bond circles this week and is being conducted with considerable spirit. The transaction by which the $4,000,000 issue of Ontarios was secured by a local syndicate through the intermediate agency of a bank—these being offered to the public coincident with Toronto and New Brunswick issues for which tenders were called—has provided the reason for the new interest in the matter. Opinion varies from one extreme to the other, and although there are many strong arguments in support of the general principle of calling for public tenders there are no doubt cases and circumstances in which private negotiation offers advantage, although there is always the danger of suspicion by the people or men in public office who are parties to the transaction.

There have been a number of rumors following the Ontario announcement which would provide the basis for the inference that preferred treatment was given, that negotiations were conducted during the period of the Victory Loan, etc., but there is no evidence to support these and they are probably only a development of the controversy itself. THE FINANCIAL POST asked Hon. Peter Smith, the new Provincial Treasurer, for a statement regarding the price at which the issue was sold to the bank—the Home Bank, according to reliable report—the nature of the negotiations, etc. Mr. Smith, however, states that full delivery has been made and that the matter was handled entirely by his predecessor, and that the details of the transaction will be made public when the budget is brought down.

Points of the Controversy

The atmosphere which has been created regarding this Ontario transaction is itself one of the strongest arguments in favor of public tendering. Rumors, even if without the slightest foundation, are circulated and can be disposed of only with difficulty under such circumstances. There is no evidence that the sale was not entirely to the best interests of the province—perhaps even more advantageous than had public tenders been called for (in fact it is submitted that it would have been difficult for the province to take any other course at the time). But the fact remains that an opportunity has been provided to arouse suspicion, and when politics can be brought to have a bearing on such a situation there is bound to be dissatisfaction.

In favor of private negotiation it is argued that a better market can be guaranteed that the bonds can be disposed to a clientele educated to a favorable opinion to such securities, that absorption can be reasonably guaranteed when otherwise the issue might become a drug on the market, etc. Also it is effectively pointed out that the experience of the big private corporations favors private sale.

On the other hand it is submitted that the clause proving that "the lowest or any tender is not necessarily accepted" is a protection in regard to these points and that in public issues all houses should have a chance to tender.

Viewing the whole situation there would appear to be sound arguments in favor of private tendering under certain circumstances, and when the representatives of the province or municipality are thoroughly capable of dealing with the situation. But as a general principle the calling of public tenders would appear to be the only safe course for those who have in the last analysis to make an accounting to the public.

WINNIPEG ELECTRIC

Gross earnings of the Winnipeg Electric Railway Company for the month of September totalled $381,248, as compared with $285,670 for the same month in 1918, an increase of $95,578. Working expenses amounting to $316,037 left net earnings at $65,211, which compares with net earnings a year ago of $78,193, a decrease of $12,982.

The aggregate gross earnings for the nine months ending with September amounted to $2,947,060, an increase of $272,923, while net at $600,872 showed a falling-off of $44,815.

R. C. Matthews & Co.

Canadian Government Bonds

Investment Securities

C.P.R. BLDG. TORONTO

City of Calgary

Long Term Bonds—To Yield

6½%

Full Particulars Upon Request

TURNER SPRAGGE & Co

103 BAY STREET TORONTO

TELEPHONE MAIN 4327

McDonagh, Somers & Co.

Government and Municipal Bonds

Dominion Bank Bldg.

TORONTO

Canada

W. L. McKinnon Dean H. Pettes

We Recommend

VICTORY BONDS

of the

1924 and 1934 Maturities

at 100 and interest

Send us your orders and they will receive our prompt and courteous attention.

W. L. McKINNON & CO.

McKinnon Building - Toronto

W. F. Morgan-Dean Geo. R. Harris

INVESTMENTS

FIRST MORTGAGE

Industrial Bonds

Maturing 1920 to 1934

Secured by assets 4½ times the total bond indebtedness. Net earnings for 1918 equal to nine times the bond interest.

TO YIELD 7%

Morgan-Dean, Harris & Co.

Investment Bankers

Bank of Hamilton Bldg., Hamilton, Ont.

Funds Secured for Sound Businesses

Business Builders Ltd.

INDUSTRIAL AND FINANCIAL ADVISORS

301 Enderton Bldg., WINNIPEG

Offer Preferred Shares 7% Cumulative of Holland Creameries Ltd., and Magnet Metal and Foundry Co., Ltd.,—both Winnipeg Industrials.

W. Ross Alger & Co.

Investment Bankers

Private wire service to principal cities in Canada and United States.

We specialize in Western Bond Issues.

EDMONTON - ALBERTA

ALLAN, KILLAM, McKAY, Ltd.

McLeod Building, Edmonton, Alberta

Special attention given to interests of out-of-town clients. Real Estate, Mortgage and Financial Agents. Rental and Property Management a Specialty.

New Issue

Montreal Public Service Corporation

6½%

Collateral Trust Gold Bonds

Dated July, 1919—Due July, 1924

These Bonds are secured by:—

$400,000 Montreal Public Service Corporation, First and Ref. Mortgage 5%, 30 year Gold Bonds, due 1942;

$2,550,000 Montreal Public Service Corporation, Second Mortgage 6½% Bonds, due July 2nd, 1924;

$1,700,000 Canadian Light & Power Co. 5% Bonds, due 1949;

And 59,500 common shares of the Canadian Light & Power Co.

The market value of the above collateral may be conservatively estimated at $3,445,000—providing ample margin of security for the present issue of $2,550,000.

PRICE: par (100) and interest

RENE-T. LECLERC

INVESTMENT BANKER

160 St. James Street, Montreal

(Established in 1901)

J. F. Stewart T. K. McNair

BONDS

Toronto Harbor 4½'s		1953
Saskatchewan 5's		1939
Alberta 4's	-	1922
Newfoundland 5½'s	-	1939

Prices on Application.
Correspondence Invited.

J. F. STEWART & CO.

106 BAY STREET, TORONTO

Telephone Adelaide 2991

A Business Man's Investment.

It is generally admitted that the shares of the individual Allen Theatres in Canada, represent one of the strongest investments on the market.

We own and offer the 7% preferred shares, carrying a bonus of common stock, in a well located Toronto theatre now in the course of construction.

Full particulars upon request.

Housser, Wood & Co.

Investment Bankers

12 King St. East, - Toronto, Can.

Debentures For Sale

SEALED tenders marked "Tenders for Debentures" will be received by the undersigned up to Saturday, December 13th, 1919, for $11,920 debentures for the cost of construction of cement sidewalks, bearing interest at 5½ per cent, payable half yearly; for 20 years. Principal payable at end of term. And

For $18,526 debentures bearing interest at 5½ per cent., payable half yearly for 10 years for the cost of construction of stone roads. Principal payable at end of term.

The highest or any other tender not necessarily accepted.

ALFRED G. E. BRYANT,
Township Clerk.

Rool Court House, Hamilton.

PORT COLBORNE PUBLIC SCHOOL AND HYDRO-ELECTRIC DEBENTURES

TENDERS will be received by the undersigned up to December 15th, 1919, Debentures of the Town of Port Colborne for the amount of $80,000, described as follows:—

Public School Debentures, $40,000, bearing five and a half per cent. interest, twenty-year, equal instalments, interest due Nov. 15th each year.

Hydro-Electric Debentures, $40,000, bearing five and a half per cent. interest, twenty-year, equal instalments, interest due Nov. 15th each year.

DAVE ALAIR,
Treasurer. Port Colborne.

FIELD OF MUNICIPAL FINANCE

BORDER CITIZENS FIND TRADITIONS MAY BLOCK UNION

People of Essex Do Not All Favor Amalgamation Plan

TOWNS ARE GROWING

Windsor, Sandwich, Ojibway, Walkerville and Ford City Expand at Rapid Rate—Some of Their Problems

By Staff Representative

WINDSOR. — When Commissioner James Murdoch, of the Board of Commerce, berated the citizens of the five border cities on their expensive system of Government, with five complete municipal organizations doing the work that might be performed quite as efficiently by one, he dealt very roughly with a very delicate subject. Traditions built up by years are not forgotten so easily, and there are still hundreds of residents of Walkerville, Sandwich, Ford City and Ojibway who are ready to fight any proposal that involves the swallowing up of their towns in a greater Windsor. One man in this city refers to these traditions as having been built up by thirty-five years of stagnation." In one sense he is right, for the Border Cities have grown faster in the past three years than during a large part of the thirty or forty previous years.

The situation in regard to a possible amalgamation of the Essex municipalities is just this: the industries generally are in favor of the proposal; many of the far-seeing citizens are in favor of it. But the older inhabitants, and especially those who have dabbled in their local civic affairs in Sandwich and the other smaller towns are utterly opposed to the amalgamation. "Better to rule in a small puddle than to be a nonentity in a big puddle," is their motto. And after all, their argument, so far as it goes, is a good one.

Have Co-operated Before

As a matter of fact the Detroit River towns have co-operated in certain of their municipal affairs. They have a joint Essex Public Utilities Commission, and a joint Board of Health, and will probably soon own their street railway. They have a Border Cities Chamber of Commerce, which acts, too, for the general advancement of the several towns involved without openly creating friction.

At present the public utilities commission is pushing a scheme to amalgamate the waterworks systems of the several towns. The scheme involves the expenditure of $2,100,000 of which $980,000 will be paid for existing waterworks plants. The citizens will probably vote on this question in January, but whether the same forces that oppose the amalgamation of the towns will also oppose this general waterworks scheme remains to be seen.

Windsor's Problems

But still there are topics that occupy the minds of the people here more than any amalgamation schemes. The rapid expansion of the district, consequent upon the influx of large American industries, has made the problems of housing and local improvements very acute. Local improvements in Windsor in particular have not kept pace with the city's growth and now these things must be attended to under the added stress of labor shortage, already high taxes, and the difficulty of getting money. Wonderful work has been done to solve the housing problem and it has not been as acute as it is across the river in Detroit where the industries are running at under capacity because of the lack of enough homes makes it impossible to bring in workmen fast enough.

Population Increasing

Windsor and the four other border towns are looking forward to a great deal of prosperity. Windsor's population increased nearly 10 per cent. last year and the city has not stopped growing. The growth is due to several causes. One is the invasion of Canada by American manufacturing concerns wishing to establish Canadian branch houses. Windsor's growth also reflects the expansion of Detroit, which is growing as few cities have ever grown. Detroit's population has doubled in five years and it is estimated that it has over a million people now. In nine months of this year Detroit built $59,000,000 worth of new structures, $9,000,000 more than all Canada built in the same time. Many Detroit people are seeking homes in Canada. A home in Windsor is anywhere from ten to thirty minutes from Detroit's downtown by ferry. Many of the new subdivisions in Detroit are an hour's ride from the centre of the city.

WOOD, FLEMING & CO.

Toronto Financial and Investment House Reorganized

J. & L. M. Wood, Toronto, financial agents and dealers in investment securities, announce that Robert Fleming, C.E., formerly of Aberdeen, Scotland, has joined the firm, which will be continued under the name of Wood, Fleming & Company with the following partners: L. M. Wood, Robert Fleming and T. C. Wood.

Money By-laws

TENDERS WANTED

Dec. 15, Port Colborne.—$40,000, 5½ per cent., 20-year, equal instalments, public school debentures; $40,000, 5½ per cent., 20-year equal instalments, hydro-electric debentures.—Dave Alair, Treasurer, Port Colborne. (See announcement on page 13.)

Dec. 10, Alberta.—$59,600, 6½ per cent., various school debentures.—J. T. Ross, Deputy Minister, Edmonton.

Dec. 13, Tp. of Barton.—$11,920, 5½ per cent., 20-year, for cement sidewalks; $18,526, 5½ per cent., 10-year, for stone roads.—Alfred G. E. Bryant, Township Clerk, Rool Court House, Hamilton. (See announcement on page page 13.)

Dec. 8, Walkerville.—$13,343, 6 per cent., 10-instalment local improvement debentures; $50,000, 5½ per cent., 30-instalment school debentures.

Dec. 8, Renfrew.—$17,500, 6 per cent., 30-year debentures.

BY-LAWS TO BE VOTED ON

Dec. 11, St. Boniface.—$225,000 for additions to schools.

January, Galt.—$30,000, for central heating plant at the hospital grounds.

December, Calgary.—$220,000, for construction of bridge; $350,000 for sewage disposal site; $272,316 for extension system; $1,704 for sewers.

January, Point Grey.—$90,000, for purpose of purchasing property for a park and bathing beach.

Jan. 1, London, Ont.—$300,000 for extensions to Fair grounls; $218,000 for the London and Port Stanley Railway; $250,000 for Board of Education for new schools, etc., $200,000 for commencement of new city hall; $100,000 for new reservoir; $100,000 for new bridges; $85,000 for new stable and shelter; $20,000 for playgrounds.

Jan. 1, Hamilton.—$607,173, for Hydro-radial purposes; $150,000 for development of Scott Park, etc.; $50,000 for Mountain face highways; $72,000 for purchase of fire-fighting apparatus; $850,000 for construction of central storm overflow sewer.

Dec. 8, Saskatoon.—$5,000 for grading road; $7,000 for additional pumping equipment; $60,000 for a turbo-generator; $270,000 for erection and equipment of an extension to city hospital; $350,000 for additional school accommodation; $35,000 for completing the plumbing, etc., of Mayfair School.

January, Waterdown, Ont. — $20,000, for the erection of a memorial hall.

Dec. 16, Portage la Prairie, Man.—$100,000 for city hall and community building; $12,000, waterworks; $16,000, electric light.

January, Brantford.—$50,000, for the erection of a new grand stand; $87,000 for construction of an isolation hospital; $78,000 for additions to General Hospital; $20,000 for addition to Brant Sanatorium.

Dec. 16, R.M. of St. Andrew's.—$187,642 for construction of roads and improvements.

January, Penticton, B.C.—$35,000 for new reservoir and extension of waterworks system.

Jan. 1, Toronto.—$5,000,000, to be supplied the proposed Transportation Commission for extensions and equipment of the system.

January, Niagara Falls, Ont.—$50,000 for addition to hospital; $14,000 for erection of store and office for Hydro-Electric Commission.

January, Beaverton, Ont.—$85,000 for a water system.

Jan. 1, Kenora, Ont.—$25,000 for public improvement purposes.

Dec. 16, Cornwallis, Man.—$100,000 for the construction and improvement of roads.

Jan. 5, Village of Beaverton.—$5,000 for the purpose of laying, and constructing sidewalks, etc.

BY-LAWS PASSED OR DEFEATED

St. Thomas.—$25,000 for purchase of the London and Lake Erie Traction Company's property. Carried by a vote of 475 to 37 on Dec. 1.

DEBENTURE NOTES

Meaford.—A by-law to raise $50,000 for improving the leading thoroughfare of the town will be submitted to the ratepayers at the coming municipal election.

Toronto.—The council has authorized the issue of debentures of $150,000 for the purpose of purchasing parks and playgrounds for the city and also debentures for $4,000,000 on behalf of the harbor commissioners.

Montreal—Notice has been given by Commissioner Marcil of his intention to propose the adoption of a by-law which will authorize the borrowing of $8,000,000 in anticipation of revenue for 1920.

BOND SALES

$7,975 Asbestos at 90 to 87½; $28,900 Abitibi at 104; $4,000 Can. Cement at 99½; $1,000 Can. Locomotive at 95; $44,700 Cedar Rapids at 86; $2,000 Dom. Iron at 85¼ to 85; $4,000 Dom. Coal at 87 to 86; $43,000 Dom. Textile at 99; $55,900 Montreal Trams, debs., at 68 to 67; $2,000 Nat. Breweries at 100; $12,000 Penmans at 88; $1,000 Quebec Rly. at 63; $5,000 Rio at 76; $400 Steel of Can. at 94½; $7,000 Wayagamack at 86; $803,100 Victory Loan (1922) at 100¼ to 100; $454,300 (1923) at 100¼ to 100⅛; $307,900 (1927) at 102¼ to 102; $1,439,000 (1933) at 103⅝ to 103⅜; $307,800 (1937) at 104¾ to 104⅝; $170,900 War Loan (1925) at 97¾ to 97¼; $423,400 (1931) at 98¾ to 98⅝; $116,300 (1937) at 99¾ to 99⅝.

MONTREAL BUDGET TWENTY MILLIONS FOR COMING YEAR

The Budget for 1920 Shows an Increase of $1,600,000

$6,000,000 INTEREST

Salaries Covering Two Years' Increases Call for $1,000,000 More—Civil Service Department

By Resident Representative.

MONTREAL.—The budget of the City of Montreal for 1920 as submitted to the city council this week calls for a total sum of $20,504,173. This is an increase from the budget of last year of about $1,600,000, as last year's total amounted to $18,944,850.

The largest single item in the total is for interest, which amounts for the year 1920 to $6,216,891, or an increase of about $60,000 over the total of last year, which was $6,158,359. This represents nearly one-third of the total amount raised by taxation in the City of Montreal for civic purposes.

School taxes call for a much larger amount for next year, nearly $600,000 more, the total being $4,552,278, as compared with $3,981,191 a year ago.

Salaries and wages come second in the list and show an apparent increase this year of nearly $1,000,000, the total being $5,118,568, against $4,194,933. This amount, however, as explained to THE FINANCIAL POST by the civic comptroller, J. Pelletier, really represents an increase covering the past two years. The increase to the firemen and policemen, following on the strike, which was arranged by a committee of the Board of Trade, called for about $550,000 extra, and this amount was decided on after the budget had been brought down last year. Then in addition to this, there is nearly another $450,000 increase generally amongst the civic employees, making a total of nearly $1,000,000. The wages thus come to almost 25 per cent. of the total budget for the year.

General expenses amount to about $3,000,000, practically the same as one year ago. There is one item in the list, Reserve Funds, which represents 3 per cent. of the total budget for emergencies, special disasters of any kind, such as might be caused by bursting of water mains or great storms, and so on.

The revenue for the city for the year from the assessment tax will bring in $14,117,010, water tax will bring in $1,719,182, and business tax, $1,351,497, a total of $17,187,689 for the year.

Tramways Act

The Montreal Tramway contract is credited with $500,000, the amount allowed under the new contract. None of this was paid last year, as the company was operating at a deficit, but in any case the money will come to the city in due time and undoubtedly under the new increased fares this will reach the city this year, and the amounts due it for the past sixteen months will be paid next year or the year afterwards.

The amusement tax is a new source of revenue for the coming year. This was arranged by the Quebec Legislature and went into effect on the first of July, 1919, the receipts from that time till the end of October being $144,731. From this were deducted expenses, printing and so on, and one cent for each ticket, which goes to the hospitals by special arrangement, which gave a total of $68,356, leaving a balance of $76,375 for the four months, or a total estimate for next year of $229,126. The total revenue is thus estimated at the amount asked for in the budget, namely $20,504,173.

Amongst the salaries and wages paid, the largest amount, $1,574,326, represents the cost of the police, as compared with $1,238,490 last year, an increase of $336,000. The next largest amount goes for the Department of Public Works, $1,430,847, as compared with $1,296,725. The third amount goes to the firemen, $1,308,456, as compared with $854,900 last year, or an increase of $450,000.

The new Civil Service Department calls for a grant of $15,000. This may meet some objection in council. It is the idea of the Administration to form a department that will surprise the Civil Service in regard to grading salaries, etc.

General Summary

	1919	1920
Interest (sched. A)...	$ 6,158,359	$ 6,216,891
Sink. funds (B)	763,450	768,405
School taxes	3,981,191	4,552,278
Reserve fund (3%) ...	568,345	615,125
Allow. for loss in rev..	150,000	160,000
Salaries and wages....	4,194,933	5,118,568
General	3,043,572	2,977,905
Pensions and annuities	85,000	95,000
Total	$18,944,850	$20,504,173

MONTREAL PUBLIC SERVICE CORPORATION

Collateral Trust Gold Bonds

6½%

Due July 2nd, 1924

This Corporation furnishes electric power to the MONTREAL TRAMWAYS CO. under a most valuable contract extending until 1965. It is one of the four Public Utilities headed by the MONTREAL TRAMWAYS & POWER CO., LTD.

Price: par (100) and interest

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PRUDENCE PREVENTS POVERTY

The man who makes his will while he is in the prime of life and better able to outline his wishes, is not only prudent, but is following the dictates of conscience.

A poorly drafted will, made at the eleventh hour, often gives rise to complications and litigation.

Write us to-day for free information and advice regarding your will.

MERCANTILE TRUST COMPANY

of CANADA, Limited

HAMILTON -:- -:- ONTARIO

Cyrus A. Birge, President
S. C. Macdonald, Manager

Major Henry L. Roberts, Vice-Presid n
James Turnbull, Vice-President

New Issue

$2,282,000

Province of New Brunswick

(Canada)

5½% Gold Bonds

Dated 1st December, 1919 Due 1st December, 1929

Denomination $1,000

Principal and half-yearly interest payable (1st June and 1st December) in Gold at the office of the Provincial Secretary-Treasurer, Fredericton, N.B., or at the Bank of Montreal in St. John, Montreal, Toronto, or at the agency of the Bank of Montreal in New York.

Price: 98.12 and Interest
(Yielding 5.75%)

Orders may be Telephoned or Telegraphed at our expense.

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..............................1919

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Dec. 6, 1919 ....

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For Your Employees

Possibly you are debating the question of the form which your annual recognition of your employees' faithful services will take this year.

Group Insurance affords you a simple, substantial and effective means of expressing your interest in your staff. Its cost is low. For the price of a three-cent postage stamp for each employee for each working day of the year you can give each a life assurance policy for $1,000.

There is no time to lose. An enquiry will receive prompt attention.

Sun Life Assurance Company of Canada

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL

Authorized Capital - -	$2,000,000.00
Subscribed Capital - - -	1,000,000.00
Paid-up Capital - - -	247,015.79

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Theodore Meunier, Manager

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Furnishes a Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.
Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.
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HEAD OFFICE - - - TORONTO

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If the salesman has unlimited confidence in the company he represents and in the goods he is offering, it will not take long to communicate that confidence to the prospect. And this applies to life insurance more than to any other article. Agents of the Mutual Life of Canada meet with extraordinary success for that simple reason—they devoutly believe in life insurance and above all in "Mutual" life insurance. The Mutual Life has been conducted for fifty years exclusively in the interests of its policyholders. The result is an unprecedented demand to-day for Mutual Life policies. With the Mutual "the Secret of Successful Salesmanship" is simplicity itself—the agent knows that he has the company and the policy that the prospect needs. The rest soon follows.

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WATERLOO : : ONTARIO

INVEST YOUR SAVINGS

5½% INTEREST RETURN

In a 5½ DEBENTURE of The Great West Permanent Loan Co.

SECURITY

Paid-up Capital	$2,412,578.81
Reserves	964,459.39
Assets	7,086,695.54

HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.

TOTAL ASSETS $2,468,523.08

A Canadian Company Investing its Funds in Canada

APPLICATION FOR AGENCIES INVITED

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is to administer Estates, and we have the necessary experience and staff to do it efficiently. If you have appointed a friend as your Executor, we would suggest that you make a Codicil to your will and name this Company as Managing Executor to act with him. This will relieve your friend of the many details connected with the administration of your Estate and will insure the strict observance of your wishes.

MONTREAL TRUST COMPANY
Mr. Herbert S. Holt, President — A. J. Brown, K.C., Vice-Pres.
TORONTO OFFICE: 61 YONGE STREET
J. F. HOBKIRK, MANAGER

INSURANCE AND REAL ESTATE

LIFE INSURANCE IN FORCE TOTALS $2,000,000,000

This Tremendous Figure Will be Passed by This Year's Business

REASONS FOR INCREASE

People Have Realized That a Dollar's Worth of Insurance is Not What It Used to Be

Life insurance underwriters estimate that over $600,000,000 worth of life insurance will be written in Canada during the present year. This tremendous total, if it is reached, will exceed any previous records for new business and will bring the total amount of life insurance in force in Canada to well over the $2,000,000,000 mark, even after making substantial allowances for policies terminated in various ways.

In 1917, the amount of new bsuiness written in Canada was $294,970,256; last year it was $313,060,106. Comparisons of figures showing the amount of life insurance in force at the end of each of the past few years show the tremendous expansion of the business in Canada. The figures are as follows:

Dec. 31, 1916	$1,422,411,243
Dec. 31, 1917	1,609,129,292
Dec. 31, 1918	1,765,376,691
Dec. 31, 1919 (esti.)	2,200,000,000

As showing the growth of insurance in Canada it might be noted that forty years ago the insurance in force in Canada totalled $86,273,702. While the population has doubled the amount of insurance in force has increased two hundred times.

Effect of Epidemic

The most potent reason for the past year's expansion has probably been the influenza attack of last year. It was the close approach of many to death and the large percentage of all ages, and especially the younger and stronger men, who were taken off suddenly, that placed the imminence of death before the public more vividly, probably, than any other event in the history of this country.

A second element in this "education" of the public that has been progressing this year has been the constant risk of death that was involved in the presence of hundreds of thousands of Canadians on the fighting lines during the war. This has affected not only the men who have returned, but their relatives, perhaps unconsciously, but none the less very really.

More Appealing Advertising

A third point that has brought an increased demand for life insurance policies, according to the insurance manager referred to before, has been a marked improvement in the advertising messages of insurance companies especially this year. One company for instance, has taken space in various publications not so much to present a stereotyped record of their name, officers and head office, as to instruct the public on the merits of various policies one after the other, with the point of superiority of this one over that. This necessarily is a process that works with a cumulative effect, but none the less it is influencing the increase of policies in Canada to-day.

Not only an increase in numbers, but in the average amount that is taken out is a feature that insurance men have marked of late. There are two reasons in the main assigned for this. One is that men who have made a good deal of money during the war have concluded that they can invest it as wisely in life insurance as in most other lines, especially with the wide range of annuity policies, added to the more staple forms that have been before the public for years past. But there is a more potent factor at work: it is the high cost of every article that enters into living these days. The man who was satisfied with $25,000 to retire on a few years ago, feeling the interest on investments would cover him safely and his family after him, gets a cold shiver in reflecting how short a distance a dollar, or one hundred, or one thousand goes in times like these. There has arisen thus the tendency, impressed on men more than ever this year, to take out larger insurance, either in endowment, or twenty-pay-life, or straight life, to compensate for the smaller purchasing power of the dollar, and to keep pace with the more expensive requirements of the average mode of living even apart altogether from the high cost of the old essentials.

All these elements are contributing to enormous increases in the totals and the individual policies that are being written up this year by the life agents throughout Canada. Large totals, in one sense, are by no means "much to be desired," for it is a rare company whose initial cost of writing life insurance does not exceed the first year's premium, and it is usually several years before the insurance company really gets a "profit" out of the policy it is carrying. But there is no indication that insurance companies are refusing business on this account.

TILLING UNFERTILE LAND

Land Has Good Value When Properly Cultivated

By Special Representative.

REGINA.—Prices for land keep up wonderfully in the districts which have experienced their third crop failure this season, is the statement of one of the Government inspectors of leased and grazing lands. In the south-west part of Saskatchewan where the settlers are experiencing their third consecutive crop failure, quotations for land are at $30 and $40 an acre, and many farms are changing hands at this figure. The fact that a section of the province has a record of being dry does not mean that it will remain dry if proper methods of tillage are applied. There is not better wheat land than along the Soo line, yet when that line was built it was regarded as a waste of money and the Government board has fought shy of such land for purposes of soldier settlement. Farmers coming in, however, with capital and up-to-date ideas on cultivation, who have plowed deep instead of merely scratching the soil, have made good. The average homesteader has not been able to follow such methods, but the man with a bit of capital has found that water runs off the hardened prairie surface, but soaks into the land once the shell is broken and pulverized.

DROP OUT OF A. F. O. L.

Boston Firemen Take Hint of Insurance Companies

One direct result of the recent wave of protest against the affiliation by firemen and policemen with labor unions has been the action of the Boston officers' club of the Boston Fire Department to give up their charter in the International Association of Fire Fighters, a body allied to the American Federation of Labor. The action of the officers must be approved by the men before becoming effective.

A number of officials of American fire insurance companies have recently hinted that insurance rates might have to be raised in communities protected by union firemen as the possibility of strike increased their risk.

FORM LAND ASSOCIATION

B.C. Organization Will Aid Immigration Department

By Special Representative.

VANCOUVER.—J. Bruce Walker of the Dominion Department of Immigration has been on the coast this week assisting in the formation of the B.C. Farm Lands' Association, which was organized to facilitate the immigration department in collecting authentic data for use in the immigration offices throughout the United States. The meeting was attended by fifty real estate and farm land men, several of whom came down from the interior. The personnel of the first directorate is as follows: E. B. McDermid, Vancouver, president; F. B. Pemberton, Victoria, vice-chairman; executive committee: J. G. Woods, Telkwa; J. T. Robinson, Kamloops; Alfred Carmichael, Victoria; J. H. Campbell, Chilliwack; H. G. Ross, C. H. Rodgers, W. G. Bender, E. B. Morgan, F. L. Murdoff, L. A. Mathews, H. R. Reid and C. N. Ecclestone, all of Vancouver.

SUPPLY WORLD'S OIL

Mexico Will Relieve Shortage, Thinks American Expert

The problem of the world's supply of oil for the future has been engrossing many minds of late. Some authorities have estimated that within the next three years the United States will reach the peak load of petroleum production, and within a decade will be faced with a serious shortage of oil. Mexico as the source of relief for the problem is suggested by another expert, C. W. Hamilton, who in an address before the American Chamber of Commerce at Tampico, Texas, said:

"With less than 850 wells completed, of which only 315 may be termed productive, Mexico is to-day potentially able to produce and supply the whole world's demands for crude petroleum. On March 1, 1919, the petroleum department, secretary of industry, commerce and law, of the Mexican Government, estimated the daily potential production of oil wells in the republic as being over 1,500,000 barrels, or more than 547,500,000 barrels per year.

"It is estimated that the world's production of oil for the year 1918 was about 513,000,000 barrels. If these figures are correct, then last year Mexico was potentially able to produce approximately 37,000,000 barrels more oil than was produced in all the other countries of the world combined, and 206,250,000 barrels more than the entire actual production for the United States (341,250,000 barrels) in the same period."

IS WINE CELLAR WHAT PROTECTION IS WANTED FOR?

Burglary Insurance Official Says This is Reason For Increased Business

COMPANIES UNITE

Will Draw Up Standard Policies and Fix Rates—Some of the Problems Liquor Thefts Present in the States

The formation of an association of the insurance companies writing burglary insurance in Canada is an indication of the growth in the amount of this form of insurance in Canada. Possibly this in turn is a reflection of conditions in the country. There are about fifteen companies writing burglary insurance in Canada, and at a meeting held in Montreal a few days ago representatives of these companies formed an association, which will have as its aims the establishing of more uniform rates and a standard form of policy. At present each company has its own form of policy and fixes its rates to suit itself. A. E. Kirkpatrick, of the United States Fidelity Insurance Company, Toronto, was chosen to head the new organization, and Montreal and Toronto secretaries will be appointed.

One insurance official in Toronto gives as the reason for the increased popularity of burglary insurance the stocks of liquor held by many people in their cellars, and there have been a number of claims paid already in the city for liquor stolen from residences. The policies do not bar liquor from claims for stolen liquor. Other insurance men do not hold to the view that private stocks of liquor are the cause of the increased business. They state that burglary insurance is comparatively new in Canada but has been growing in popularity during the past few years. The increased business, they say, is merely due to the education of the people to the benefits of insurance against robbery and theft.

Some American Problems

If the view taken by the first official is correct, it is possible that Canada may see a repetition of the state of affairs in the United States, where burglary underwriters are becoming much concerned over the very marked increase in liquor loss claims made for the most part under residence burglary policies. These claims, which range from $50 up to the thousands, have become so numerous that some of the companies are already contemplating excluding liquor losses from the ordinary residence burglary cover, or limiting the amount very materially. It is considered likely that a limit of about the same proportions as is applied to money, $50 per $1,000 of insurance, may be established.

The liquor losses, while attracting much attention because of their increased frequency and size, are also causing adjusters of burglary insurance companies considerable mental exercise, as they present many unique problems.

An interesting incident occurred last week originating from Georgia. The assured in this case claimed a loss of liquor to the value of $1,000 and wanted replacement. The company paid cash and refused to make replacement because the law prohibits the bringing of liquor into the State.

A similar demand for replacement was presented to one of the Canadian companies a short time ago, but was not entertained for one moment.

Where Did the Liquor Go?

Two cases have been reported, one in Colorado and one in Michigan, where stolen liquor covered by burglary insurance was subsequently recovered in part by the authorities and they refused to release the goods to the insurance company which had already paid the claim. What became of the liquor in these cases is a subject for discussion. Aside from the fact that subrogation rights where liquor stolen is conserved are of little value, there is another feature that is somewhat of a problem to the adjusters, and that is the provision in the policy that in the event of loss the assured shall immediately notify the police and describe the goods taken. In States like Georgia and Michigan the carrying out of the provision of the policy by the assured would probably result in his immediate arrest for violation of the law prohibiting him having liquor in his possession. In such cases the insurer also has to refrain from taking the police into his confidence regarding the crime or their client will be put in jeopardy.

This feature, of course, does not apply to a man in Canada who has liquor in a private home.

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SUCCESS and Independence.—Do not depend on what you earn but on what you save. The Standard Bank of Canada can very materially assist you to win success and secure independence.

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OF CANADA
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Fire, Marine, Hail and Automobile Insurance
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Assets over - $4,000,000.00
Losses paid since organization, over - $45,000,000.00

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Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
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MONTREAL PLANS 16-STOREY HOTEL, COVERING BLOCK

Over $3,000,000 Proposed to be Expended if Permit Passes

SPECIAL PERMISSION

To Allow More Than Ten Storeys—Business Men Support—United Hotels Behind

By Resident Representative.

MONTREAL.—A group of financiers, among whom THE FINANCIAL POST understands, is the United Hotel Company, which controls the King Edward Hotel in Toronto, and the Connaught in Hamilton, and many in the United States, have applied to the city for permission to erect a sixteen-storey hotel at an estimated cost of $3,250,000. The civic building by-laws prohibit the erection of any building exceeding ten stories in height, so that special permission must be secured to allow of this. As the promoters declare that they will not consider the proposition at all unless there is a sixteen-storey building the application was supported by an unusual petition signed by many of the leading business men of the city. This was headed by Lord Shaughnessy and E. W. Beatty, K.C., and included prominent members of the Board of Trade, Chambre de Commerce, and others, and was largely signed by the leading merchants along St. Catherine street, between Guy street and St. Lawrence boulevard. This urged that as Montreal was a metropolitan city it must advance with the times.

Want Higher Earning Capacity

The petition went on to take up the important point of the erection of building having higher earning capacity than was allowed by ten storeys. Land values had greatly increased since the restricting by-law was passed, and the cost of material and the erection and equipment had more than doubled. The erection of a modern hotel would enhance the value of surrounding property. Montreal needed another modern hotel to meet increasing demands, and the city was urged to consider at once the amending of the existing by-law to allow the 16-storey height.

The question will first be considered by the Administration and must then secure the approval of the aldermen. Any change in the by-law will undoubtedly be taken as a precedent, and after steadily refusing many other applications in the past the city would embark on the real sky-scraper stage, like Toronto, where the C.P.R. building is 18 stories high, and the Royal Bank 20 stories, while in Montreal office buildings are ten-storey affairs.

Hotel Group Behind

The new proposition, it is learned, would be taken up by a group prominently connected with hotel enterprises, but local capital would enter to a considerable extent. No new hotel of any extent has been opened in Montreal since the Ritz-Carlton was erected. This past season both this and the Windsor have been crowded to capacity, and the Windsor, as is reported elsewhere, was able to increase its earnings from less than 3 per cent. to nearly 10 per cent. this past year.

The proposition is an ambitious one, as it is intended to utilize the whole block on the southeast corner of St. Catherine and Peel streets, a large portion of which a year or so ago was sold under the mortgage agreement. The application states that if "the permit is granted the syndicate will ask that the city move this whole block back into the square a distance of 25 or 30 feet, giving the hotel another road on the square and by doing this it would greatly improve St. Catherine street."

WELCOMES "NEW POOR"

Ontario's Agent-General Invites Them to Canada

LONDON.—Will Canada become the home of the so-called "new poor" of England? There are a great many of these people in the British Isles now, and many of them are finding it a real problem to make their income meet the rising costs of living.

The "new poor" is a term that is being applied to people on a fixed income who prior to the war lived on a moderate income from inherited wealth. To-day their incomes are the same as they were in 1914, but economize as they may they find it difficult to live. Brig.-Gen. R. Manley Sims, D.S.O., Agent-General for Ontario in England, has written to "The Times," pointing out the possibilities in Canada for people of this class, and inviting them to emigrate to the Dominion.

CANADIAN STOCKS

Quotations of listed Securities on the Montreal and Toronto Stock Exchange, with prices at closing on Dec. 5. In stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active. (Reserve Funds, Profit and Loss, include all Reserves except "Depreciation.")

BANKS

Capital Stock Outstanding	Reserve Fund	Profit and Loss	Net Earnings 1917-18	Dividends 1916 / 1917 / 1918	Last Dividend Date / Rate	Yield	Bank	Range 1916 High / Low	Range 1917 High / Low	Range 1918 High / Low	Range 1919 to Nov. 27 High / Date / Low / Date	Close Dec. 5 1918 Ask / Bid	Close Dec. 3 Ask / Bid	Week ending Dec. 3 High / Low / Close / Sales
4,866,666	3,017,333	428,844	13 70	8 / 8			British North America							
15,000,000	15,000,000	1,444,842	19 00	10+2 / 10+2	1st Dec. q. 3	6.06	Commerce	112 / 110	112 / 112	165 / 112	215 Jan. 9 / 196 Nov. 14	187 /	186½ / 199	
6,000,000	7,000,000	446,503	18 50	12 / 12	1st Dec. q. 3	5.88	Dominion	203 / 183	188 / 182½	202 / 186¾	215 Jan. 20 / 199½ June 26	202	205 / 198	198½ / 204
3,000,000	3,500,000	85,114	19 03	12 / 12	1st Dec. q. 3	6.25	Hamilton	220 / 204	212½ / 202	209½ / 199	219 Jan. 15 / 182½ May 27			
4,000,000	3,800,000	62,989	14 87	9 / 9	1st Dec. q. 2¼	5.80	Hochelaga	197 / 246½	192 / 189	189½ / 184	209 Jan. 20 / 187½ Jan. 13			
7,000,000	7,500,000	865,459	17 88	12 / 12	1st Dec. q. 3	6.06	Imperial	145 / 145	141 / 184	184 / 180	206 Jan. 27 / 196 July 16			
1,947,705	400,000	150,456	12 26	5 / 5	1st Nov. q. 2¼	5.26	Home Bank	203 / 180	200 / 185	202½ / 185	210 Jan. 20 / 190 July 24			
7,000,000	7,000,000	574,643	17 93	10 / 10	1st Dec. q. 2½	5.68	Merchants						156 / 155	155 / 155
4,000,000	4,800,000	248,929	17 00	11 / 11	1st Jan. q. 2¾	5.87	Molsons	180 / 150	170 / 167	180 / 169	202½ Apr. 25 / 179½ Jan. 3	193	194½ / 197	197¼ / 198
16,000,000	16,000,000	1,901,613	16 01	10+2 / 10+2	1st Dec. q. 3	6.21	Montreal	195 / 182	176 / 179½	179½ / 180	220 Jan. 2 / 201½ Mar. 10	267	210 / 205	201 / 210
2,000,000	2,200,000	48,699	26 67	9 / 9	1st Nov. q. 2½	5.63	Nationale	234 / 134	234 / 210	218¼ / 210	225 Apr. 24 /		191 / 188	190 / 188
6,500,000	4,750,000	749,694	21 70	16 / 16	1st Oct. q. 4	5.79	Nova Scotia	212 / 198	219 / 134	218½ / 248	209 Apr. 24 /			
4,000,000	15,000,000	199,853	16 12	12 / 12	1st Nov. q. 3	5.86	Ottawa	261 / 254	257½ / 248½	251½ / 248	278 Sept. 19 /		210 / 207	209 / 207
14,000,000	15,000,000	535,757	20 86	12 / 12	1st May q. 3	5.62	Royal	209 / 202	202 / 200	206½ / 208	217 July 25 /			
3,500,000	4,500,000	227,326	19 91	13 / 13	1st Nov. q. 3¼	6.09	Standard	221½ / 210	220 / 206	208½ / 203	255 Feb. 1 / 203 Jan. 4	208		272 / 274
1,223,341	400,000	244,909	17 50	6 / 6	15th Nov. q. 1½	5.51	Sterling	221 / 211½	211 / 208	208½ / 208	203 Nov. 13 / 200 Jan. 4	208		273 / 273½ / 118
5,000,000	6,000,000	625,6	16 90	11 / 11	1st Dec. q. 2¾	5.15	Toronto	215½ / 190	192 / 187½	193½ / 184½	209 July 15 / 204½ Apr. 25	200	210½ / 209½	216 / 215
5,000,000	3,400,000	121,288	15 48	8+1 / 8+1	1st Dec. q. 2¼	6.23	Union	140 / 132	142 / 125	162 / 137	208 Feb. 4 / 171 Jan. 7	187 / 157¼	196½ / 193	195½ / 195

TRANSPORTATION—RAILWAYS, NAVIGATION AND STREET CARS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	Dividends 1917 / 1918	Last Dividend	Company	Range 1916 High / Low	1917 High / Low	1918 High / Low	1919 High / Date / Low / Date	Close 1918 Ask / Bid	Close Dec. 3 Ask / Bid	Week High / Low / Close / Sales
27,450,000	8,485,500	52,983,951			1st Mar. '17 q. 1	Barcelona, T. L. and P.	19 / 9	17 / 8	8 / 8				10 / 7½
106,417,800	10,000,000	7,500,000	5,190,986	1 / 6	1st Oct. q. 1½	Brazilian Traction L. and P.	62¾ / 41	47½ / 31½	45 / 32	61 July 10 / 50 Nov. 13	12½ / 50½	12½ / 52	8¼ / 51½	7½ / 53½ / 51½ / 2,530
		6,684,206	5,009,630		1st Sept. q. 1½	Brazilian Traction, Pref.							
12,000,000	12,500,000	271,934,882	233,999,716	19.83 / 7	1st Oct. q. 1	Canada Steamship Lines, Com.							
260,000,000	80,681,921	35,851,500	7,807,827	10 / 10	1st Oct. q. 2½	Canadian Pacific Railway	183½ / 163½	167½ / 127½	185 / 137½	175 Oct. 25 / 150 Nov. 13			
5,000,000	3,000,000	3,500,000	576,002	7¼ / 7	1st Oct. '18	Detroit United	128½ / 69	128 / 106½		115 Nov. 4 / 77½	46½ / 77½	46½ / 77½	86½ / 86
12,331,000	7,289,500	4,462,000	1,060,246	8 / 1		Duluth Superior Traction Co., Com.	27 / 51	40 / 42	41	32½ Oct. 30 / 28 Feb. 21			
20,000,000		16,381,333			1st Nov. '13 q. 1¾	Illinois Traction, Com.	91 / 87½	89 / 79	80 / 80	115		108 / 107½	105 / 108 / 530
25,206,000	12,603,400	87,264,900	20,488,0 4	7 / 7	15th Oct. q. 1¼	Illinois Traction, Preferred							
3,403,330	4,465,500	35,608,153	1,152,457	10 / 10	1st Oct. q. 2½	Mexico Tramways Co.							
9,000,000		14,075,000	2,428,908	5 / 5	15th Sept. q. 1¼	Minn., St. P. and S.S.M., com.							
3,000,000		3,685,666	253,513		1st Oct. '14 p. 1	Montreal Tramways				68 Nov. 24		71 /	69 / 65½ / 69
9,999,500	1,000,000	10,797,000		7 / 7	1st Oct. q. 1¾	Northern Ohio Traction	181 / 144	150 / 150	125 / 150				107
12,000,000		2,730,253	753,091		15th Jan. '12 q. 1½	Porto Rico Railway Co., Com.	49½ / 30	42 / 30	37	35 Nov. 11 / 114½ June 4			
22,000,000	3,000,000	29,238,000	6,675,017	7 / 7	2nd Jan. q. 1¾	Quebec Railway L., Heat & P. Co.	38 / 80	80 / 80	25¼ / 25	Feb. 8 / 24 Sept. 9		136 / 138	136
9,000,000		10,130,000	1,180,078	6 / 6	2nd Jan. q. 1	Toronto Railway	111 / 72	90½ / 58½	63 / 58	55 Nov. 15 / 16¼ Feb. 19		24 / 22	24 / 24 / 45
			1,502,068		1st Jan. '16 q. 2½	Twin City, common	110 / 90	93½ / 95	65½ / 95	49 Mar. 3 / 35 Jan. 16	58 / 49½	23 / 46	22½ / 45
						Winnipeg Electric							37½ / 38 / 265

TELEGRAPH, LIGHT AND POWER UTILITIES

Outstanding Common	Outstanding Preferred	Bonds and Debentures	Reserve Funds	Dividends 1917 / 1918	Last Dividend	Company	Range 1916 High / Low	1917 High / Low	1918 High / Low	1919 High / Date / Low / Date	Close 1918 Ask / Bid	Close Dec. 3 Ask / Bid	Week High / Low / Close / Sales
18,000,000		11,149,000	2,286,556	8 / 8	15th Oct. q. 2	Bell Telephone	152 / 140	150 / 129	132½ / 128	133 May 19 / 114 June 7	130	118 /	117¼ / 15
5,360,700	50,000,000	2,999,813	141,434	10 / 10	15th Oct. q. 2½	Consumers Gas	176 / 160	165½ / 147	153 / 144½	152 Feb. 14 / 138 Oct. 16		151	101½ / 150¼ / 151
1,900,000	6,000,000	21,073,833	1,924,151	1¾ / 6	1st Oct. q. 1¾	Calgary Power							
41,380,400					1st Oct. q. 1	Mackay, common							
13,585,000			2,609,204	4 / 4	30th Dec. '13 q. 1	Mexican Light and Power Co., com.	69¾ / 64½	90 / 79½	72¾ / 82	June 12 / 71¾ Jan. 23	76½ /	76½ / 79	75 / 79 / 309
64,126,000		1,275,000	884,525	8 / 8	15th Nov. q. 1½	Montreal L., H. and Power Cons.	15 / 15	68 / 60	75 / 72	June 6 / 64½ Jan. 28	63½ /	66½ / 66½	66½ / 66½ / 31
3,499,120		9,789,261	3,039,957	6 / 6	10th Oct. q. 1½	Ottawa, Light, Heat and Power Co.	95¾ / 82	82½ / 67	88½ / 69	July 24 / 84¾ Feb.	85½	85½ / 88	87½ / 88½ / 87 / 81 / 70
16,342,500						Shawinigan Water and Power Co.	137 / 126½	130½ / 107	118½ / 105	127½ May 8 / 114½ Jan. 13	116	115½ / 116	117½ / 116 / 116 / 1,424

INDUSTRIALS AND MISCELLANEOUS

Outstanding Common	Outstanding Preferred	Bonds and Debentures	Reserve Funds	Dividends	Last Dividend	Company	Ranges and prices (as printed)
5,000,000	1,000,000	5,768,200	1,073,249	7	1st Oct. 1¾ 3.24	Abitibi Power and Paper, com.	58¾ 48 51½ 48 190 Nov. 8 48 Jan. 3
6,094,300	7,974,200		1,743,234			pref.	51½ 48 190 July 8 47 July 7
3,500,000		1,567,666	547,408			Amer. Cyanamid, com.	50
	2,500,000					Ames Holden McCready Co., com.	35 19¾ 22 12 28 Oct. 13 26 Jan. 3 48 188 187½ 186 175 175½ 280
4,266,200						pref.	80½ 55
7,000,000	2,000,000	1,451,000	607,100	5	1st Oct. q. 1¾ 6.08	British Col. Fish, com.	56 35 51½ 47 116½ Oct. 23 65½ Jan. 3
750,000			721,391	6	21st Nov. q. 1½ 9.67	Brompton Pulp and Paper, com.	58 59 51 Oct. 18 40
2,500,000	1,975,200			7	7th Nov. q. 1¾ 6.32	F. N. Burt Company, com.	88 72 86 63¾ 41 Oct. 18 44 Mar. 15 71½ 126½ 126¼ 117 112½ 2,603
		3,750,000	103,418	7	1st Oct. q. 1¾ 7.00	pref.	96 86 93½ 86 112½ Oct. 9 54 Apr. 30
13,500,000	1,250,000			7	2nd Jan. '17 q. 1	Canada Bread, com.	96 93 93¾ 89 110¼ Oct. 4 71 Jan. 2
	10,500,000	6,839,046	4,062,613	7	1st Oct. q. 1¾ 8.70	pref.	70 57 69½ 63½ 37½ Oct. 9 58½
4,975,000		5,222,593	5,830,171	7	1st Oct. q. 1¾ 8.45	Canada Cement, com.	97 78 90 92 79½
	7,500,000			4	16th Oct. q. 1¾ 7.07	pref.	70 37½ 68
1,733,500		399,000	443,879	3¼	2nd June '14 q. 2	Canadian Car and Foundry, com.	90 32 69½ 73 1,748
2,715,500		4,626,000	2,518,891	4	10th Oct. q. 1¾+1¾ 7.07	pref.	75 32 46½ 38 Sept. 24
	3,661,500			7	4th Oct. q. 1¾ 7.14	Canadian Converters	94 1¾ 8 50 103½ Sept. 17
	1,500,000			5		Canadian Cottons, Limited, com.	65 39 48 47 Oct. 22
1,600,000	961,000	179,200	1,767,537	4	4th Oct. q. 1¾ 7.31	Canadian Cottons, Limited, pref.	82½ 75½ 82 75 77 71 87¾ Apr. 22 76 Jan. 10 76
2,000,000	960,000	1,500,000	1,287,06	12+3	15th July q. 3	Canadian Fairbanks-Morse, pref.	217 170 205 150 213 150
			1,657,324	7	15th Nov. q. 1¾ 6.18	Canadian Foundries & Forgings, co.	99 84 92 89 July 9 175 Nov. 30 199½ 199 189 187 193 187 187
2,805,500	1,500,000	3,000,000		7	15th Nov. q. 1¾ 6.42	Canadian Locomotive Co., com.	64½ 51 64 52½ 69½ 96 Oct. 16 89½ Feb. 13 92
			5,709,795	7	15th Oct. q. 1¾ 7.36	pref.	88 81 92
8,000,000	3,000,000			7	15th Oct. '14	Can. Consolidated Rubber, com.	84 77 91½ 83 102½ Oct. 20 88 Feb. 20
	2,000,000		5,122,776	8	30th Sept. q. 1¾ 7.33	pref.	109 90
1,200,000		465,500	573,116	7	1st Oct. q. 2 7.33	Canadian General Electric, com.	115¼ 99½ 106 99½ 116 July 11 97 Feb. 7
	1,200,000			8	1st Oct. q. 3½ 6.36	pref.	121 99 113 106 116 May 9 101½ Mar. 18 106½
565,000					15th July '15 q. 1¾	Carriage Factories Limited, com.	112 110
	700,000	55,114	159,507		1st Oct. '16 q. 2	pref.	78
6,500,000				5¼	1st Oct. q. 1¾	City Dairy, com.	75
2,786,300		1,729,410	3,025,307	9¼+2	1st Oct. q. 1¾ 7.60	pref.	89
37,097,700	2,290,600		1,472,291		1st Apr. '14 q. 1¾ 7.47	Dominion Bridge Co.	100¾ 80 92 70 62¾ May 27
	7,000,000	30,830,097	9,459,251	1¼+	1st Oct. q. 1¾ 7.86	Dominion Canners, com.	231½ 160 65 123 Jan. 13
15,000,000	5,000,000	13,641,526		4½	1st Oct. q. 1¾ 7.44	pref.	80 55 71½ 59 46¾ Oct. 18
5,000,000	3,000,000	6,016,500		7	1st Oct. q. 1¾ 7.21	Dominion Iron and Steel, pref.	65 61½ 78 65 73½ Nov. 18
		3,267,500	3,349,083	7	1st Nov. q. 1¾ 6.01	Dominion Steel Corporation, com.	85 71½ 82
2,250,500	1,940,600	1,100,000		6	15th Oct. q. 1¾ 6.79	Dominion Coal, pref.	105 90 93½
	1,750,000		685,115	7		Dominion Textile, com.	105 90
747,500		210,000		7	2nd July '14 q. 1¾	Goodwins, Limited, com.	95 64
	747,500		1,260,566	7		pref.	105 100
6,267,005	500,000		1,069,017	7	1st Oct. q. 1¾ 6.00	Goulds Manufacturing Co., com.	75 July '17 45 Jan. 11
40,000,000		8,294,000	57,721		q. 1¾ 7.00	pref.	
2,100,000		900,000	978,797	5	1st Oct. 5½	International Petroleum	
9,600,000	1,500,000				1st Dec. q. 3 5.40	Lake Superior Corporation	15.30 11.60 20.50 13.60 32.25 May 14 19.25 Jan. 8 16.00 15.00
1,750,000	1,300,000	620,615	2,425,548	12	1st Dec. q. 1¾ 6.48	Lake of Woods Milling Co., com.	136¾ 122
3,000,000	1,766,800	988,400	649,244	10	1st Dec. q. 2 5.10	pref.	129 116 116 110 169 120½ 229½ Nov. 12 157 Mar. 26
2,500,000			422,906	3	10th Oct. q. 1¾ 6.85	Laurentide Co.	122 108 116 106 172 143
	2,500,000		2,318,545	22½ 10+14	30th June '13 q. 3 5.91	Lyall Construction Co., com.	177 176 198 152 246 Jan. 17 175
2,949,600					18th Oct. q. 1¾ 6.93	A. Macdonald Co., com.	93 25 16 Apr. 2
	2,949,600			7	15th Oct. q. 1¾ 6.02	Maple Leaf Milling, com.	122 100 115 120 124 Jan. 10 237 202 233 225 265
1,275,000			671,985	7	15th Sept. q. 1¾ 7.00	pref.	98 80 94
	750,000			7	1st Nov. '13 q. 1¾ 7.95	Montreal Cottons, Ltd., com.	58½ 40 57½
2,000,000			527,504	7		pref.	115 99
	1,500,000					Monarch Knitting Co., com.	99
15,000,000		11,169,619	4,616,584	5+20	15th Jan. q. 1¾	pref.	83
	1,000,000			7	15th Oct. q. 1¾ 5.88	National Steel Car, com.	80½ 75
4,500,000		2,350,000	3,830,592	10½ 15	15th Oct. q. 2 7.40	pref.	
	2,000,000			12+15	1st Dec. q. 3+15 4.13	Nova Scotia Steel, com.	151½ 93½ 106½ 57 Nov. 18 Jan. 10
750,000		561,300	281,729	7		pref.	
	750,000					Ogilvie Flour, com.	152 127½
650,000			29,654	7+1¼ 7+1¾	15th Nov. q. 1¾+1¼ 8.86	pref.	
	650,000			7	1st July q. 1¾ 7.00	Ont. Steel Products, com.	103
600,000		1,010,427		8+5	1st Oct. q. 1¾ 8.33	pref.	
2,150,600		2,000,000	3,350,167	4+1	15th Sept. q. 1¾+2 7.75	Pacific-Burt Co., com.	29
5,000,000	1,075,000			5¼+2	1st Oct. q. 1¾ 6.60	pref.	
4,500,000		5,651,484	2,874,224	6	15th Oct. q. 1¾ 6.59	Paton Manufacturing Co.	83½
		2,033,500	1,851,813	6+4	1st Nov. q. 3 3.21	Penmans, Limited, com.	
1,500,000	1,000,000			8+2	15th Nov. q. 2½ 6.59	pref.	78
800,000		502,000	428,647	7	1st Oct. q. 1¾ 7.07	Price Bros.	
	122,800			7	30th Sept. q. 1¾	Riordon Pulp and Paper, com.	156
1,200,000			536,162		15th Sept. q. 1¾	pref.	
	1,200,000			7	1st Apr. '14 q. 1¾	William A. Rogers, Ltd., com.	
1,500,000		529,300		7	1st Nov. q. 1¾ 7.07	pref.	
	1,500,000		310,114	7	1st Oct. q. 1¾ 6.14	Russell Motor Car, com.	114
		1,838,500				pref.	
2,425,000			2,33,282		2nd June '14 q. 1¾	Sawyer-Massey Co., com.	
9,750,000	2,500,000					pref.	
1,062,500			395,100	6+2	30th Sept. q. 1¾ 7.00	Sherwin-Williams, com.	134½
	475,000	288,000			1st Oct. q. 2 5.51	pref.	
8,000,000			205,765		1st Oct. q. 1¾ 6.86	Shredded Wheat, com.	100
	5,699,100	10,332,113	2,368,22	7	15th Oct. q. 1¾ 7.07	pref.	
6,496,300		8,931,246	15,019,130		15th July '13 q. 1¾	Smith Paper Mills, com.	
1,250,000				8		pref.	
1,260,000	3,602,700	1,066,945	311,577		1st Nov. q. 1¾ 7.77	Spanish River Pulp Mills, com.	24¾
		167,155	251,154	7	1st June 14 q. 1¾	pref.	70
650,000	575,000			5¾+4	1st Nov. 1¾+1 5.45	Steel Co. of Canada, com.	86
	985,000		149,379		15th Nov. q. 1¾ 7.7	pref.	107¼
750,000						Standard Chemical, pfd.	
5,000,000		461,100	302,984	8¾	13th Sept. q. 1¾ 7.07	St. Lawrence Flour, com.	
2,000,000			462,446	6+3	2nd July q. 3+1 4.37	Tooke Bros., com.	25
1,750,000		901,000	5-0,347	6	15th Oct. q. 1¾	pref.	
5,000,000		3,395,000	908,060	5¾	2nd Oct. q. 1¾ 6.86	Toronto Paper Co.	96
1,718,600		440,000	1,091,439	7	1st Dec. q. 1¾+5 6.25	Tuckett Tobacco, com.	98
	1,546,500			7+5	15th Oct. q. 2 6.23	pref.	
				7	1st Oct. q. 1¾ 6.92	Wabasso Cotton	23½
						Wayagamack, com.	82½
						Woods Manufacturing Co., Ltd., com.	65
						pref.	101

LOAN, INSURANCE AND FINANCIAL STOCKS AND MISCELLANEOUS

Common Stock Outstanding	Deposits Preferred Stock or Debentures Outstanding and Int.	Reserve and Contingent P. & L.	Dividends 1918	Last Dividend Date	Per cent.	LOAN AND TRUST	Range 1917 High	Low	Range 1918 High	Low	Latest Price Ask	Bid	Last Sale
1,205,000	3,847,000	1,337,989	9	1st Oct.	q. 2¼	Canada Landed	160	150	148¾	140	143		140
6,000,000	19,636,287	5,672,509	10	1st Oct.	q. 2½	Canada Permanent	173	162½	169½	162½	170		170
1,750,000	4,968,206	1,842,074	10	1st Oct.	q. 2½	Central Canada					190		
934,676	1,042,651	427,213	8	1st July	s. 3	Col. Investment, pref.					80		
2,412,566	2,703,000	471,596	6	2nd July	s. 3	Dominion Savings							
1,200,000	2,221,508	1,022,325		1st Oct.	q. 1¾	Great West Per.							
2,500,000	2,091,322	1,284,510	9	2nd July	s. ½	Hamilton Provident	142	127	133	126			
1,000,000	12,299,412	2,293,963	12	2nd Jan.	q. 3	Huron and Erie	210	205	210	205			178
700,000	1,597,848	886,732	8	1st Oct.	q. 2	Landed Banking	143	123	133	131			
600,000	1,664,336	924,981	6+1	1st Oct.	q. 2½	London Loan and Can. Loan	132	125	126¼	119	119		
1,500,000	2,653,710	764,496	6	1st Oct.	q. 1½	London Loan and Sav.							
1,000,000	317,808	1,667,183	10+1	15th Sept.	q. 2½+1	Montreal L. & Mtg. Co.	165	152	152		152		
724,550	3,749,473	2,093,986	8	1st Oct.	q. 2	National Trust	175	207½			116		
1,000,000	34,590,736	266,434	10	2nd July	s. 4½	Ont. Loan and Deb.							
2,000,000	614,943	2,152,812	10	1st Oct.	q. 2½+1	Real Estate Loan	215	200	204	190½			
2,000,000	1,773,153	1,134,604	10+1	1st Oct.	q. 2¼	Toronto Gen. Trusts							
1,000,000	1,912,673	989,449	6	1st Oct.	q. 2½	Toronto Mortgage Co.	215	200	204				
	11,57,261	7,483,462	8	1st Oct.	q. 2½	Toronto Savings	134	124	124				
				1st Oct.		Union Trust							

Common Stock Outstanding	Bonds, Preferred Stock or D'b'ntures Outstanding	Reserve and Contingent P. & L.	Dividend 1918	Last Dividend Date	Per cent.	MISCELLANEOUS COMPANIES	Range 1917 High	Low	Range 1918 High	Low	Latest Price Ask	Bid
3,000,000	2,000,000	1,365,591	5¾	15th Oct.	1½	Asbestos Corporation, com.	21	18	45	30	84	80
800,000	1,987,657	523,279	8	1st Oct.	q. 2	pref.	58	52	63½	44½	96½	
59,100	2,291,578	2,298,978	8	1st Oct.	q. 2	Canadian N. Prairie Lands						
1,000,000	11,224,281	1,969,845	1½	23rd Dec.		Canadian Salt					142	
6,212,066		290,978	6	30th Sept.	q. 1½	Can North-West Land						
3,000,000	12,669,500		8	15th Oct.		Confederation Life A.	330	330				
2,000,000	7,072,098	1,991,255	6			Crows Nest Pass Coal	70	70	55		375	
2,000,000	3,783,000	843,103	8			Dominion Telegraph	89					
3,000,000	500,000	133,458		1st Oct.		Electrical Dev., pref.						
3,000,000	1,922,500	739,197	1¼	1st July		Imperial Life Assur.						
1,000,000	561,000	5,451	8	1st Mar. '14	1	Intercolonial Coal, pref.						
		104,871	8+1	2nd July '17	q. 1	Intern. Coal and Coke						
1,000,000	121,238	121,238		1st Oct.		Kaministiquia Power						
1,164,000	1,300,000	325,374	8+2	10th July '15	q. 1½	Montreal Telegraph						
2,340,100	1,439,926	252,489	5	15th Sept.	q. 2	Nia., St. Kath. and Tor.	130	115	120	110	112	
2,000,000	640,000	657,008		1st Oct.	q. 1¼	Trinidad Electric						
						W. Can. Flour Mills						
						West India Electric	77	77			147	

NOTE—s—means semi-annually; q—quarterly; i—interim; L—Profit and Loss; +—indicates bonus; b—means bond; P—preferred stock; d—debenture; ¼—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 3rd, September 18th, 1918; Feb. 1st and Nov. 17th, 1916; December 1, 1914.

SASKATCHEWAN TAKES THE LEAD IN FIELD CROPS

Wheat Yield of All Canada Under 200 Million Bushels

BIG PRICES AVAILABLE

The Returns From Grain and Livestock a Big Factor in the Prosperity of the Whole Country

By Resident Representative.

OTTAWA.—The Bureau of Statistics for Canada in its provisional estimate of the 1919 yield of the field crops of the Dominion, puts the total yield of wheat for all the provinces at 196,361,000 bushels. At an average price of two dollars per bushel this means that Canada's wheat crop this year will be worth $400,000,000. Possibly two-thirds of this will be available for export. As the American as well as the European market will be open to Canada after December 15th, prices are likely to be well maintained and, if anything, will likely go above rather than below the figures given.

The total area sown to wheat was 19,141,337 acres which makes the yield per acre 10.25 bushels. Of this, 18,462,444 acres were sown to spring wheat, the yield from this being 181,228,000 bushels, the yield of fall wheat being 16,133,000 bushels. The provisional estimate shows that the total 1919 crop is seven million bushels in excess of that of 1918. The yield of spring wheat was about one million bushels less than last year but in fall wheat 1919 leads by eight million bushels.

The 180,228,000 bushels of spring wheat were obtained from 18,462,444 acres, the average yield being 9.75 bushels per acre, or one bushel below that of 1918. How seriously the drought in Western Canada cut down the yield may be seen by the fact that the average yield of spring wheat per acre in 1915, 1916, 1917, 1918 was 17 bushels. Had this yield been maintained in 1919 Canada would this year have had 313 million bushels of spring wheat.

Saskatchewan Leads

In point both of yield and value Saskatchewan holds the palm among the provinces. Of the total product it is credited with 97,933,000 bushels or slightly over fifty per cent. This should be worth about $200,000,000. The acreage was 10,587,363 or 1,300,000 acres more than in 1918. Manitoba comes second with 43,206,000 bushels, all but 93,000 bushels being spring wheat. The acreage was 2,880,331 or about 100,000 less than in 1918. The average yield was 15 bushels per acre. Alberta's yield was 26,131,000 bushels, of which all but 680,000 was spring wheat. The value was about $53,000,000. The area was about 400,000 acres in excess of 1918. The average yield was only 6.25 bushels per acre.

The yield in Ontario was 20,892,000 bushels valued at about $47,000,000. The fall wheat crop there was especially heavy, 15,023,000 bushels. The average yield per acre was 24.25 bushels. Spring wheat averaged 16.50 bushels per acre.

Quebec had 4,394,000 bushels of wheat, all of spring variety. The yield is about two million bushels below that of 1918 due to decreased acreage.

The Maritime Provinces produced only 2,284,000 bushels of wheat all told. British Columbia's crop was 1,431,000 bushels. In point of importance in the yield of wheat the provinces this year rank as follows: Saskatchewan, Manitoba, Alberta, Ontario, Quebec, British Columbia, Prince Edward Island and Nova Scotia.

Livestock Figures

The year has been a very satisfactory one from the general standpoint of livestock production in Canada. Cattle and swine prices have ruled high, which circumstance has undoubtedly retarded somewhat the increase in the number of animals on the farms; but a very large export trade has been done in the various kinds of meats, while the exportation of cattle on the hoof has also been quite heavy.

Estimates just made by the Dominion Bureau of Statistics give the following figures for livestock on the farms, as compared with those for 1918:

All Canada	1918	1919	Change
Horses	3,609,257	3,667,369 +	58,112
Milch cows ..	3,538,600	3,547,437 +	8,837
Other cattle..	6,507,267	6,536,574 +	29,307
All cattle	10,045,867	10,084,011 +	38,144
Sheep	3,052,748	3,421,958 +	369,210
Swine	4,289,682	4,040,070 —	249,612
Poultry	34,159,691	34,645,238 +	485,547

Of all the provinces, New Brunswick shows the greatest uniformity of increase throughout the year. In that province increases are reported in every class, being as follows: Horses, 11,238; cows, 32,935; other cattle, 45,340; sheep, 72,730; swine, 25,125; poultry, 122,286. Prince Edward Island also reports increases in every class, but not so large a rate as that of New Brunswick, the increases in the Island being: horses, 1,995; cows, 4,233; other cattle, 10,723; sheep, 41,909; swine, 8,696; poultry, 34,100.

Saskatchewan has probably gained most both in numbers and value of livestock during the year, her increases being as follows: Horses, 88,443; cows, 21,073; other cattle, 79,159; sheep, 12,734; poultry, 515,158. In swine a decrease of 88,873 is recorded. The increase in the number of cattle shows that this province is making rapid advance in livestock production and dairying. The increase in poultry is also notable, Saskatchewan now standing second only to Ontario in this respect.

Owing to the drought, Alberta has not had a very good year in livestock. The number of horses has been increased by 9,134, and the milch cows by 7,894; but in other cattle the number has decreased by 115,432 from that of 1918. Sheep show an increase of 32,319; but swine have fallen off by 155,676. The poultry increase is given as 1,404,042, which is nearly three times larger than that reported by any other province.

Though Quebec agriculture is very prosperous and has had a splendid year in field crops, it has fallen off considerably in livestock. Her decreases as compared with 1918 were as follows: horses, 32,909; cows, 107,518; other cattle, 32,522; swine, 61,830; poultry, 1,555,024. In only one class is an increase shown: there are 48,355 more sheep than there were in 1918.

Ontario is easily the banner province for livestock. She reports increases in all but two classes: horses and poultry. The increases are as follow: milch cows, 42,977; other cattle, 15,492; sheep, 129,399; swine, 39,101. As compared with 1918 there are 13,408 fewer horses, and 575,296 fewer fowl.

CANADIAN PACIFIC

The continued heaviness of Canadian Pacific is hardly caused by liquidation by American holders, says a New York report. If American holders had C.P.R. and liked rails they would probably like C.P.R. best of any just now, as this road is rather far removed from the various troubles that have been injuring sentiment here. The exchange situation may have something to do with the selling in C.P.R., and London is believed to have been selling considerable of the stock. Talk of British Government selling is also rife.

When this selling is over Canadian Pacific will appeal—indeed, as it does now—as one of the best rails at the price, which is not far from the absolute low since the war began.

The company's vast plans by way of building up its ship connections must bring increasing returns, and the enormous prices for farm products must, of course, add to the attractions of its vast landed interests.

RETRENCHMENT MUST BE ORDER OF DAY AT OTTAWA

Continued from page 1.

Sir Thomas White says, has become an issue. When an individual embarks on a policy of retrenchment, he makes for himself a statement of his obligations, and endeavors to see how they can be taken care of, and how his expenditures can be reduced. The total gross debt of Canada at present is estimated at $3,080,391,478.25. The total net debt for the year 1919-20 is estimated at so close to two billion dollars that we may take that sum for purposes of calculation. Estimating our population at eight million, this gives a sum of two hundred and fifty dollars for every man, woman and child in the Dominion, or an obligation of twelve hundred and fifty dollars placed on the head o fan average family of five.

In addition to the debt of the Dominion, there are other heavy obligations for which the people of Canada, as individuals or heads of families, are bound. The indebtedness of the provinces amounts in gross to $264,706,000. Then there is municipal indebtedness. This is not so easy to estimate; but figures presented to the House of Commons this year showed that, taking sixty-two cities and towns, the total bonded indebtedness amounted to $456,000,000. The population of the cities and towns chosen amounted to 2,598,000, which would make a per capita debt of $210.17. The total population of Canada residing in urban communities of over 500 inhabitants is 3,281,000; so the total municipal indebtedness, based on the estimate of $210.17 per head would give a gross total of $689,500,000. Adding the debt of the Dominion, of the provinces, and of the municipalities, we have a gross total of nearly three billion dollars. This would give a per capita indebtedness of three hundred and seventy-five dollars for the people of Canada, or an indebtedness on the head of the average family of $1,875.00.

The ordinary annual expenditure before the war—the year 1913-14 for example—was under one hundred and thirty million dollars. For the financial year 1919-20 it is estimated that they will amount to $270,000,000, with the revenue estimated at about ten million dollars more.

The House of Commons Committee on Soldiers' Civil Re-estalishment after hearing all the evidence placed before them, estimated that, including the present Victory Loan, Canada would be compelled within the next twelve or eighteen months to raise by borrowing sums of money aggregating from seven hundred to eight hundred and fifty million dollars, to provide for expenditures to which the country is or will be committed. As about 375 million dollars more was raised on the loan just concluded than the amount asked for, this would leave a sum still to be raised of from one hundred and twenty-five to one hundred and seventy-five millions. There is also an existing indebtedness to the banks of over three hundred million dollars. We are therefore in the position of spending our money before it is raised; we shall have to again borrow from the banks, and raise another big national loan next fall.

Foreign Credits, Too

In addition to the above maximum estimated expenditure of eight hundred and fifty million dollars, we shall probably have to provide credits to carry on the prosecution of our trade abroad. There is still a balance unexpended of the credits of $106,000,000 which we allotted to Belgium, France, Italy, Roumania and Greece. The amount unexpended will probably run to about seventy million dollars. Whether these credits will be renewed or not is still undetermined. Sir Thomas White estimated that we should have to find this money, as he put it, "Probably half this year and half next year." The credits automatically expire at the end of the year if not availed of, and it will be for the Government to determine whether they shall be renewed or not. Sir Thomas White has expressed the opinion that it would be unnecessary to extend credits except to Great Britain, which is not taken into account in the above enumeration. Credits will likely have to be extended to her for this year and the whole of next if we are going to sell her our products.

Last year we gave Great Britain credits of one hundred and seventy million dollars, which they used to buy wheat, and which came out of the product of the 1918 Victory Loan.

Realizing that three hundred million of the loan raised this fall has been already spent, and that the balance will run the Government for only a comparatively short time for railway, capital, demobilization, gratuity and other expenditures, a big loan for next fall is inevitable. We shall have to tackle the problem of adjusting our ordinary expenditures to our revenue, and it is doubtful if we can carry on without deficits for years to come. The old fat years of surpluses are gone. The interest on our national debt alone is now around $115,000,000 annually.—T.M.F.

READJUSTMENT OF IRON FOUNDRIES

Earnings Showed a Decline as Reflection of Changed Conditions Prevailing

MONTREAL.—The process of adjustment necessitated by the return of peace-time conditions is reflected in the annual report of Canada Iron Foundries, Ltd., for the twelve-month period ended September 30 last, to be submitted to the shareholders of the enterprise on January 19 next. Earnings for the year, before providing for depreciation, amounted to $489,943, compared with $580,824 in 1918, and $523,097 in the preceding twelve months.

The year's earnings were augmented by the sum of $99,098 received from interest, discount and exchange, which, with the addition of the balance at credit of profit and loss at the end of 1918, brought the total to $595,908. This was disposed of as follows: Depreciation, $195,059, compared with $141,472 a year ago; debenture interest and sinking fund, $28,032; maintenance of non-operating plants, $13,436; cost of "B" debenture conversion and discount on new debentures issued, less the sinking fund reserve of the "A" debenture issue, $147,936; transferred to reserve fund, $45,088; leaving a balance of $166,356 to be carried into the current year's accounts.

The working capital position of the company showed further improvement in the year, standing at $2,237,134, compared with $1,899,815 in 1918, the current assets including cash amounting to $129,993 and $683,859 in Government bonds and other securities.

Discussing the year's results in his report to shareholders, President V. J. Hughes states in part:

"In comparing the year's results with those of last year it must be taken into account that the conclusion of the armistice in November, 1918, was followed shortly after by a fall in the price of pig iron and other raw materials, of which your company is a large user, and that consequently for a time the company was selling manufactured products, made out of high-priced materials already in stock, at a price based on the lower cost of raw material. The loss thus occasioned has not been charged against the reserve previously set up against inventory, but has been treated as a part of the operating charges."

DOMINION CANNERS

Dominion Canners had a very light week of selling following a period of unwonted activity for some months past. Under merely nominal sales the stock declined to 58, which was four points off the high of the preceding week. There is no change in the circumstances or business of the company that would give ground for any change in the public favor toward the stock.

7% SELECTED INVESTMENTS 7%

To yield the attractive income of

7%

with prospects of appreciation.

Particulars on request.

Campbell, Thompson & Co.

Canada Life Building

7% TORONTO 7%

Ontario Town Debentures

Yielding 6%

Send for particulars.

C. H. Burgess & Co.

BANK OF HAMILTON BLDG.

Toronto Main 7140

Would You Like Some More Victory Bonds?

The public subscription has closed, but we advocate investors increasing their holdings of Canada's Premier Security. It is not necessary to repeat what has already been said about these bonds. If you contemplate a further purchase we shall be glad to arrange details of delivery and payment for you.

HANSON BROS.

Bond Dealers

160 St. James St., Montreal

To Those Who Have Invested in

Federal Zinc and Lead Company, Limited

No Personal Liability

YOU have made a sound investment in a sound business enterprise. You have based your conclusions on the well-supported statements of mining geologists, the character of the business men behind the enterprise, and an inspection of samples taken from the property.

You have felt that the opportunity to participate at a price representing only 80 per cent. of par value was exceptional, and wisely left it to actual operations with a complete plant to prove the dividend producing ability.

For your present satisfaction, we refer you to page nineteen, "The Facts About Federal." This shows a preliminary estimate—and a very conservative one—of 331,314 tons of ore that can be mined in the next three years, assaying $10.65 per ton.

An equally conservative estimate of the cost of mining, milling, lead smelting and marketing works out at $4.77 per ton of ore, a gross profit per ton of ore amounting to $5.88, and on 331,314 tons nearly two million dollars.

This is 72 per cent. on the total capital issued—including the $500,000 now offered—or a gross profit per annum of 24 per cent. on the ore from one shaft alone, which will keep our 400-ton-a-day concentrating mill busy for at least three years.

Allotment of shares is still being made from the unsold balance. Mail the coupon to-day, or call at the office.

AUTHORIZED CAPITAL
$3,000,000

Treasury Stock
$800,000

Present Issue:
100,000 Shares

Par Value, $5.00

PRICE - $4.00

Fully Paid and Non-Assessable

OFFICE FOR SALE OF STOCK
244 St. James Street, Montreal

FEDERAL ZINC AND LEAD COMPANY, Limited
MONTREAL

Directors

T. O. LYALL J. C. BEIDELMAN E. A. WRIGHT
HON. J. L. PERRON, K.C., M.L.C. LT.-COL. P. D. L. LYALL

Federal Zinc and Lead Company, Limited,
244 St. James Street, Montreal

Gentlemen:—Please mail me the "Facts about Federal."

Name ....

Address ....

MARGIN BETWEEN COST AND LISTED PRICE NOT PROFIT

Retailers Incur Heavy Expenses Between Purchase and Sale of Goods

DELIVERY COSTS

The Cost of High Living One Reason for the High Cost of Living—People Want Their Goods Delivered

Ever since investigations into prices were begun in Canada with the packing house case two years ago, it has been evident that many people, including a large number of editors of daily newspapers, and even Government commissioners, have had a very hazy idea of the meaning of the word "profits." There have been orders issued by the Board of Commerce lately that determine the margin of "profit" allowed to dealers in certain commodities, without taking into consideration at all his cost of doing business.

The retailer knows that if he is invoiced for an article at $1.00 and lists it in his stock to sell at $1.50, that his profit is not 50 per cent. He has to pay interest, freight, salaries, rent, taxes and twenty other charges out of the 50 cents margin he allows himself and he also knows that it is probable that he will not sell the entire stock of the article in question at $1.50. He may find it unsalable and will then have to cut the price, possibly to below the invoice price. The average selling price is seldom as high as the original list price.

Retail Merchants' Case

These fundamental principles of retailing have been pointed out to the Board of Commerce by the Retail Merchants' Association of Canada. The association says:

"The evidence so far obtained and the method of obtaining it have been defective in these respects:—

"1. In the confusing of the marked price with the ultimate price at which the goods are sold.

"2. In considering as profits the difference between the invoice price of a particular article and the marked price of that article, instead of considering as profit only the difference between the cost to the merchant of the article up to the time it is delivered to the customer, and the price which the customer pays for it.

"3. In not considering as part of the cost of the sold goods such items as freight, insurance, interest on the cost of goods, interest on moneys spent in equipment and furnishings, depreciation of equipment and furnishings, rent, taxes, wages, cost of paper, twine and other accessories, stationery, etc., advertising, cost of draying and delivery, cost of collection of accounts, bad debts, etc., as well as the probable quantity of goods which must be sold below the marked price. All of these must be paid by the merchant and are as much a part of the cost of the goods sold as is the invoice price, or price paid to the wholesaler or manufacturer, and all of them must be taken into account by the merchant in fixing his marked price. The charge of profiteering should not be made or suggested against any merchant unless all of these additional factors have been examined and taken into account."

Deliveries Are Expensive

Anent delivering, which it is declared had added greatly to the cost of doing business, the association says:

"It is the opinion of merchants who have given deep thought to the question that the prices the consumers are paying to-day are due to the cost of high living, rather than to the high cost of living. This condition is reflected in some of the items that are included in the analysis of the cost of doing business. For instance, one of the details of expense that shames the merchant is the cost of delivering goods to his customers.

During the past four years, owing to the higher prices of labor, of equipment and of feed, that cost has grown enormously. The expense of keeping a horse has actually doubled during the past two years. When in the evolution of retail trading the merchant undertook the work of delivering, he entered the field of transportation.

We would go so far as to suggest that your Board consider the advisability of securing to the customer who performs delivery service for himself the benefits of that service. An innovation of this kind would exert a very beneficial influence economically, because it would lead directly to reductions in the retail prices for many lines of goods. We believe that any customer who desires to save the cost of delivery on his purchases by taking the goods with him should have the opportunity of making that saving. The only way in which that saving can be assured to him is by a policy of charges for deliveries.

Where Expenses Are

A table drawn up by a Winnipeg merchant, showing the percentage of expense to the selling price for the year 1918, was also submitted. It is as follows:

Advertising	2.92
Bonuses	1.75
Delivery	.47
Depreciation	.72
Donations	.44
Express and freight	.54
Insurance	1.17
Interest	.33
Light	.47
Postage	.08
Rent	4.56
Repairs	.05
Salaries	14.53
Stationery and office	.08
Sundries	.76
Taxes	.62
Telephones and telegrams	.10
Travelling	.44
Wrapping supplies	.51
Total	30.54

WHY WE MUST SPEED UP

Two Hundred Million New Buyers Have Been Added

Consumption the world over will remain at a high level. An article in a United States Government trade reports points out this fact and gives the reason for the abnormal demand for all products. The article says:

"We have pointed out before the elements of this demand. There are three. First, the destruction of wealth in war material which has been shot away; second, the loss of potential production due to diversion of industry to war work, and third, the new demands rising from the 200,000,000 of liberated people who have been given wage increases ranging from one to three hundred per cent. These 200,000,000 overnight have been added to the buying class."

"SHOCKING" PROFITS ON BITUMINOUS COAL

Public Misled by References to Capital Stock Rather Than to Investment

NEW YORK.—In his sensational statement about bituminous coal, Secretary McAdoo declared:

In 1917 many mine owners made shocking and indefensible profits on bituminous coal. I know this because, as Secretary of the Treasury, I examined in May, 1918, their income tax returns to the Treasury. Before deduction of excess profits taxes, which were less in 1917 than now, these returns showed earnings on capital stock ranging from 15% to 2,000%. Earnings of 100% to 300% on capital stock were not uncommon.

Study of the report that Mr. McAdoo, as Secretary of the Treasury, made to the Senate in 1918, shows that in isolated and extreme cases his present summary is correct, but it is a misleading and unfair summary of the whole report.

The report contained the tax returns of 404 companies engaged in the mining of bituminous and lignite coal. Of course no names were given but in every case the capital stock, earnings and amount of taxes were set down. There are exactly seventeen cases where net income before taxes was in excess of 1,000 per cent. The largest of these had capital stock of $20,000 and the smallest $1,000, with a total capitalization for the seventeen companies of $146,966.

In every case these seventeen companies had large "invested capital" not included in capital stock, and paid heavy taxes not hinted at in Mr. McAdoo's statement as to the relation between their capital stock and their net income.

A company which shows 292 per reported "invested capital" of $396,203 and paid taxes of $91,428, leaving net after taxes of 32 per cent. on "invested capital," instead of 5,964 per cent. on capital stock before taxes as exploited by McAdoo.

A $2,500 company earned 1,689 per cent., according to McAdoo, but in fact returned 46 per cent on its "invested capital" after taxes of $20,674.

An $1,800 company earned 2,628 per cent. before paying taxes of $11,132, which left it with 20 per cent. on its "invested capital."

A $20,000 company earned 2,134 per cent before taxes; but its taxes were $140,542 and its final return was 26 per cent. on "invested capital."

A $10,000 company showed 7,856 per cent., according to Mr. McAdoo's way of quoting figures. Its actual earnings were 34 per cent. after taxes.

The largest percentage of final return among the seventeen companies was in the case of a concern capitalized at $5,000 which earned 225 per cent. on its "invested capital" of $15,356. Its net income was $84,944; its taxes were $50,436, and the amount left for stockholders was $34,508.

A $7,000 company which shows 1,432 per cent., according to McAdoo actually paid 13 per cent. on its "invested capital."

A company which shows 292 per cent. on "invested capital" after taxes, actually had net earnings of $3,152 and paid taxes of $235. The 292 per cent. represented actual income of $2,917.

It possibly is "fabulous" that a coal company with $1,000 invested capital could have earned $2,917 after taxes, but such a company is no more representative of the coal mining business than Mr. McAdoo's summary of percentages is representative of the report from which he quotes.

Twenty companies out of 404 show earnings on "invested capital," after taxes, in excess of 100 per cent., and only two of these twenty had "invested capital" in excess of $50,000. The giant of the group boasted "invested capital" of $140,000.

ONLY ONE-TENTH MONEY IN WORLD BACKED BY GOLD

War's Effect on Banking Discussed by London Financial Paper

CURRENCY INFLATION

Seven Canadian Banks Are Listed Among One Hundred World's Largest, Judged by Deposits

Is war good for banking? It has often been asserted that a great war leaves the world's banks in a stronger position than they could have attained to in the same length of time under peace conditions. Judging by increased dividends paid during the war by many of the world's leading banks, one might assume that the war has been good for banking, but whether or not, in the ultimate analysis, it can be called good for banking to have made profits from the enormous inflation of currency, to which they have all in a degree contributed, is another matter. The annual international banking number of the London "Statist" discusses international banking as it finds itself after five years of war, and there are many almost startling facts in its resume of war-time finance.

The Bank of England before the war had notes in circulation amounting to £29,000,000, we are told by the "Statist." It has now in circulation £84,000,000, and added to the currency notes circulating in the United Kingdom, the total of paper money reaches £422,000,000, as compared with £29,000,000 before the war.

France and Other Lands

Other nations report similar conditions of affairs:

"Before the war, the Bank of France had issued notes to the amount of £236,476,000; she now has circulating notes to the value of £1,471,977,000, an increase of £1,235,501,000. The Imperial Bank of Germany's pre-war total was £94,545,000; the figures on September 30, 1919, were £1,489,205,000, an increase of £1,394,660,000. Even the United States of America has not been able to refrain from adding to her paper currency: the notes outstanding in 1914 were of an equivalent value of £500,985,000; the total on August 1, 1919, was £734,457,000—an increase of £233,472,000. It is, of course, impossible to state even an approximate value of the notes at present circulating in Russia, the total must be prodigious; but as a matter of interest, we may say that the pre-war total of the State Bank of Russia was equivalent to £163,411,000, while that on September 29, 1917, was £1,836,217,000—an increase of £1,672,806,000, and yet this does not take into account the enormous mass of Bolshevik paper currency issued during the last two years."

Where Gold Is

Has this enormous currency inflation been backed up by increased gold reserves? Here are the facts:

"Take England, with notes to the value of £29,317,000 in circulation in 1914 she held £40,164,000 gold. In 1919 with £422,100 notes current, the gold held amounts to £114,746,000, or an increase of £74,582,000 in the gold held, against an increase of £392,824,000 in the value of the notes in circulation.

"France shows an increase of £58,817,000 in her gold against an increase of £1,235,501,000 in notes. Germany, with an increase in her note circulation of £1,394,660,000, shows a decrease of £7,381,000 in the gold she holds now as compared with 1914. Russia's gold holding, taken on the same date as that for the notes, September 26, 1917, shows an increase of $185,879,000 against an increase in the note circulation of £1,672,806,000. The expansion in the gold holding of the Bank of Japan is worth noting: it has increased from £21,872,000 to £75,428,000, while the increase in her note circulation is only £71,567,000. The United States has the lion's share of the world's gold, the latest return giving £497,910,000, an increase of £120,456,000, as compared with five years ago.

"Against an increase of £7,498,715,000 in the notes in circulation, there has been an increase of only £621,841,000 in the gold held; in other words, about one-tenth, or £6,876,874,000 worth, only of the paper currency of the principal countries of the world is covered by gold. Such is the pass to which a little more than four years of war has brought international banking! Who shall say we have progressed much since the days of the worthless French assignats?

World's Great Banks

A table of the world's leading banks, based on the amount value of their deposits, show that ninety-eight banks have between them no less than £8,204,000,000 or over forty billion dollars in deposits. This tremendous total is due, to a large extent, to the increase in issued paper money circulating in the world, and possibly this explains why the banks of the nations where currency inflation has been the most marked, Russia, Germany and even England, lead the list.

Judged from the standpoint of deposits and curency inflation to one side, the Imperial Bank of Germany is the world's largest bank with deposits totalling nearly $4,000,000,000. Two other German banks follow, and then the London City and Midland Bank, with deposits of $1,750,000,000 is fourth. The State Bank of Russia is next, followed by Lloyd's Bank,

Continued on page 19.

We Own and Offer

$1,000,000

8% Cumulative Sinking Fund Preferred Stock

Loew's Buffalo Theatres Incorporated

(Incorporated under laws of State of New York.)

CAPITALIZATION

	Authorized	To be issued
8% Cumulative Sinking Fund Preferred Shares (Par value $100 per share)	$1,500,000	$1,000,000
Common Stock (Par Value $10 per share)	1,500,000	1,500,000

OFFICERS

PRESIDENT

MARCUS LOEW, New York, N.Y.
Pres., Loew's, Incorporated.

VICE-PRESIDENTS

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Director, Manufacturers' & Traders' National Bank.
Director, Fidelity Trust Company of Buffalo.

R. R. BONGARD, Toronto, Ont.
Bongard, Ryerson & Co.
Director, Marcus Loew's Theatres, Limited.

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Director, Citizens' Commercial Trust Co.

SECRETARY-TREASURER

ALBERT E. JONES, Buffalo, N.Y.
Member of firm, Locke, Babcock, Spratt & Hollister.

BANKERS

Manufacturers' & Traders' National Bank.
Merchants' Bank of Canada.

TRANSFER AGENTS

Fidelity Trust Company, Buffalo.
Toronto General Trusts Corp., Toronto.

REGISTRARS

Citizens' Commercial Trust Co., Buffalo.
Toronto General Trusts Corp., Toronto.

SOLICITORS

Locke, Babcock, Spratt & Hollister, Buffalo, N.Y.
Tilley, Johnston, Thomson & Parmenter, Toronto, Ont.

Purpose of Issue

This company has been incorporated for the purpose of building a theatre to supply the public of Buffalo with high-class vaudeville entertainment, at popular prices, coupled with the latest and best photoplays procurable. The theatre will be operated and managed in conjunction with Loew's well-known and successful houses in Toronto, Montreal, Hamilton, London, Ottawa and all the principal cities in the United States. A satisfactory agreement has been entered into with Marcus Loew's Booking Agency of New York to provide entertainments and to manage and operate the theatre.

Organization

Mr. Marcus Loew organized his Company in New York some fourteen years ago, and from a small capital beginning it has developed into the largest theatre organization in North America, if not in the world. This company is now known as Loew's, Incorporated. The management is so thoroughly experienced and efficient that the company's different enterprises are unprecedentedly successful. Loew's, Incorporated, will probably control or manage within twelve months from date no less than 200 theatres in the principal cities in the United States and Canada. Many of these theatres have a seating capacity ranging from 3,000 to 5,000.

The recent purchase of the Ackerman & Harris Circuit, covering the Pacific Coast from Seattle to Los Angeles, and eastward as far as Salt Lake City, is very important as the beginning of a complete circuit, from the Atlantic to the Pacific, in both the United States and Canada. This tremendous circuit enables the Company to select attractions and produce them in their various theatres on a scale that puts the enterprise on an absolutely sound commercial basis. No other theatre organization is able to provide the same class of talent and photoplays at such attractive prices, and at the same time show such satisfactory earnings on the invested capital.

Preferred Shares

The cumulative sinking fund preferred shares are preferred both as to assets and dividends, and at the option of the Company are redeemable at $110 per share and accumulated dividends. The company's by-laws provide that, commencing with the year 1923, 10 per cent. of the net earnings shall be set aside annually as a sinking fund for the redemption and cancellation of the preferred shares. These shares are offered with a bonus of 20 per cent. of common stock. As the amount of preference stock outstanding is reduced the holdings of common stock will be greatly enhanced.

Loew's Theatres in Canada were correspondingly financed by the sale of preferred stock carrying a bonus of common stock. In the five years of operation the preferred stock of Loew's Toronto Theatre has paid 35 per cent. in dividends (7 per cent. per annum) and common stock 49 per cent., or an average of nearly 10 per cent. per annum, and the net earnings will permit of a further increase in dividends. Loew's Toronto common stock has now a market value of approximately $300 per share, which stock was given as a bonus to the purchasers of preferred shares.

Assets

The company has entered into agreements to purchase properties on Main and Washington Streets, between Mohawk and Genessee Streets, with a frontage on Washington of 187 ft. by a depth varying from 100 ft. to 108 ft.; and on Main Street a frontage of 25 ft. by a depth of 100 ft., which will be used as the entrance to the theatre. The excellent location of this property, with entrance from Main Street and in the heart of Buffalo's principal retail district, is a valuable asset and one that should continually increase in value. The locations heretofore selected in other cities have fully demonstrated the unerring judgment and foresight behind the Loew organization, and the same business acumen has been brought to bear in selecting the present site.

Plans now being prepared show that the theatre will be one of the finest on the continent, fireproof throughout, with the latest features known to theatre construction. The seating capacity of the theatre will be about 4,000. The total cost of the land and building will be in the neighborhood of $1,250,000, which will be financed out of the proceeds of this issue and by assuming mortgages bearing interest at 5 per cent. for approximately $350,000. The preferred issue will be amply secured as to tangible assets.

Earnings

The net earnings of the Company can be estimated with a reasonable assurance of accuracy by taking as a basis Loew's Theatres in the United States and in Canada, operating under similar circumstances. It is estimated that the net earnings should be in the neighborhood of $450,000, and after provision is made for taxes, interest on mortgages, preferred stock dividends, etc., there should be a surplus remaining which would provide a very substantial dividend on the common stock.

Interest and Dividends

A resolution has been passed by the Board of Directors providing for the payment of interest at the rate of 6 per cent. per annum on all cash payments made on account of preferred stock subscriptions, such interest payments to be made on July 1st and December 31st, 1920. The regular quarterly dividends at the rate of 8 per cent. per annum to start to accrue from December 31st, 1920, and to be payable on the 1st of April, July, October and January.

The citizens of Buffalo and the surrounding district have already subscribed for a large portion of this issue.

PRICE: $100 Per Share

With each 8 Per Cent. Preferred Share the Purchaser will receive a Bonus of Two Shares of Common Stock (Par Value $10.00.)

RICHARDSON, SHEPPARD & THORBURN
LIMITED
INVESTMENT SECURITIES
Royal Bank Building - - Toronto
Adel. 4732

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INVESTMENT BANKERS
Members Toronto Stock Exchange
85 BAY STREET :: TORONTO
Phone Main 368

Federal Finance Corporation, Limited
Bond and Stock Brokers
Royal Bank Bldg. - Toronto

Orders may be Telephoned or Telegraphed at Our Expense.

BANK OF MONTREAL

Annual General Meeting, Held 1st December, 1919

The 102nd Annual General Meeting of the shareholders of the Bank of Montreal was held in the Board Room at the Bank's headquarters.

Amongst those present were:—

D. Forbes Angus, R. B. Angus, S. M. Baylis, E. W. Beatty, K.C., H. W. Beauclerk, D. R. Clarke, Colonel Henry Cockshutt, Huntly Drummond, Edward Fiske, J. Jeffrey Fiske, C. J. Fleet, K.C., Hon. Geo. G. Foster, K.C., G. B. Fraser, Dr. Wm. Gardner, Sir Charles Gordon, G.B.E., J. Maxtone Graham, C.A., Lt.-Col. G. R. Hooper, C. R. Hosmer, L. Julien, Harold Kennedy, T. Marion, Chas. Meredith, Sir Vincent Meredith, Bart., W. R. Miller, Lt.-Col. Herbert Molson, M.C., S. Geo. McElwaine, Wm. McMaster, Campbell Nelles, Hugh Paton, John Patterson, Alfred Piddington, Henry E. Rawlings, James Rodgers, A. G. Ross, Bt., Hon. Lord Shaughnessy, K.C.V.O., E. P. Winslow.

On motion of Mr. R. B. Angus, Sir Vincent Meredith was requested to take the chair.

Mr. C. J. Fleet, K.C., moved, seconded by Mr. H. W. Beauclerk, that Lieut.-Col. George R. Hooper and Mr. W. R. Miller be appointed to act as scrutineers, and that Mr. C. H. Cronyn be the secretary of the meeting. This was carried unanimously. Sir Vincent Meredith, the chairman, then called upon the General Manager, Sir Frederick Williams-Taylor, to read the Annual Report of the Directors to the Shareholders at their 102nd Annual General Meeting, held Monday, December 1st, 1919:

The President's Address

Sir Vincent Meredith, in moving the adoption of the Report of the Directors to the Shareholders said:—

General trade in practically all branches has been active and profitable during the year and the Bank has participated in the general prosperity. The balance sheet shows profits in moderate proportion to the resources employed and yet I trust not unsatisfactory to the Shareholders. That reaction from the feverish activities and high prices produced by the vast conflict which so many apprehended has not occurred, nor can it be said to be impending. The feeling as to the future is less optimistic than it has been, but the great pressure on our agricultural and manufactured resources caused by home and foreign demand shows no sign of abatement.

Though marked by a high degree of prosperity, the year has also been one of world-wide labor unrest, with demands for increased wages and shorter working hours, culminating in strikes and disorder, with resultant decreased efficiency, lessened production and greater cost of output. This unrest may in a measure be attributable to unsatisfactory pre-war conditions, but probably in a greater degree is the result of unsettlement due to the abnormal nervous strain of the great war.

In one important respect normality has come again—the mercantile seagoing tonnage of the world has been restored to pre-war dimensions and is rapidly being increased, an accomplishment that should soon permit of regularity in the carriage of overseas trade and in a reduction in freight rates and cheapening cost of commodities.

The high cost of living, about which so much is being said and for the relief of which so many remedies are suggested, is a world-wide, not a local condition. It is due in part to the large volume of currency now in circulation, which to a considerable extent must be regarded as credit expansion largely the result of Government borrowings and the disbursements of the proceeds thereof, together with post-war activity.

The deprivations of the past five years have induced an orgy of self-indulgent expenditure by the general public, to which has been added lavish outlay by many people who amassed fortunes during the war. All these are contributing factors, but they affect to only a limited extent the high costs, which are without doubt the direct result of the pressing demands of European countries for commodities of every nature at abnormally high prices. We cannot, therefore, expect any considerable amelioration in living conditions until the world's demands are satisfied and Europe once more returns to an exporting basis. Every effort is being made to this end, but it must of necessity come gradually. Food prices will without doubt be the soonest overcome, and I think we may look forward confidently to a reduction in the cost of all commodities both at home and abroad after another harvest, to be followed in natural sequence by a reduction to some extent in the scale of wages; but the process promises to be gradual, and marked and rapid declines in the near future do not seem probable.

Foreign Trade Well Maintained

The foreign trade of the Dominion has been well maintained, and the outlook gives no cause for apprehension of an early recession. The latest available figures, those of the seven months ending October 31st, show imports to have been $543,670,000 and exports $688,890,000. As compared with the corresponding period last year, there was a decline of $16,400,000 in imports and of $31,200,000 in exports, a relatively insignificant decrease while the favorable balance of trade has this year been $145,200.00. The price index of commodities not having materially varied during the periods under review, the deduction may be made that the volume of our changed, although the figures of particular products have fluctuated considerably. Thus, the export of foodstuffs was larger in value by $114,200,000 this year than last, in the seven months, and the export of wood and wood products, including paper, $25,800,000 larger. On the other hand, miscellaneous exports, which include munitions, show a decrease of $141,600,000.

With the exception of the United States, the gold holdings of all the belligerent countries have been depleted during the war to meet adverse trade balances, and their economic condition has been greatly weakened, the value of the pound sterling, in terms of the American dollar, being reduced to $4, the mark to 2½c, the franc to 10c, and our own currency by 4 per cent. to 5 per cent.

The depreciation of currency, howefer, is not wholly an unmixed evil, as it acts as a corrective to adverse trade balances by checking imports and stimulating exports.

In the absence of gold, large issues of paper money have been made necessary in all countries to meet the demand for a circulating medium in consequence of abnormal business activity, coupled with war expenditures. The effect has been the demoralization of all exchanges.

To restore the reserves of metal and provide an effective gold standard correcting the over-issue of paper money will take time, and can only be brought about by economy and increased exports. The stabilizing or pegging of exchange I believe to be inadvisable, owing to its prohibitive cost. In any event, it would be futile to attempt to do so until there is a cessation of Government borrowings.

Circulation

The relation of gold reserve to note circulation is a question on which divergent views are held, one school of economists demanding the restoration and maintenance of an effective gold standard and the other contending that goods and services combine with gold form an adequate and more elastic reserve.

I am not sure that it is not the part of wisdom to depart from old notions of the rigidity of the gold reserve and recognize that we are justified in enlarging our note-issuing powers to respond to all legitimate business demands in periods of great trade activity or emergency, provided such expansion is based on self-liquidating securities. If used to cover discrepancies in revenue it is then a form of inflation wholly unjustifiable, bringing with it as it does, the well-known evil effect of a depreciated currency at home, besides greatly damaging our credit in the eyes of the financial world.

Immigration and Production

There are three indispensable factors to the upbuilding of Canada—immigration, production and exports. Immigration during the last five years has been negligible owing to the war. In the first seven months of the current fiscal year, new arrivals numbered 82,893, of whom 42,377 came from Great Britain and 35,949 from the United States. While these figures do not represent a large movement as compared with several pre-war periods, they show a gain of 51,734 immigrants, or about 160 per cent. over the corresponding months last year. After-the-war emigration of foreign-born has taken place in fairly large volume, the exact figures of which are not obtainable.

In my judgment, it is of vital importance that our unoccupied areas be settled and made productive with as much rapidity as possible, the future prosperity of the country, and ability to meet our debts largely depending on increased production. It is believed that nations will not war again in this generation, and the objection to the incoming of alien people is in consequence mitigated. The combing should not, therefore, be made too fine. The economic gain of a large immigration to develop our basic industries cannot be overestimated, particularly at a impoverished in food and denuded of commodities which Canada is capable of supplying.

There is reason to believe that the policy of the energetic Minister of Immigration will be broad-based, and that its fruits will be manifested in an increasing influx of settlers upon the land, of domestic servants and of artisans and laborers. Indications are already given of a large movement in the spring from the United States into our Western Provinces, attracted by the superior productivity of our soil and its comparative cheapness, and I think we may reasonably hope for a considerable immigration from the countries of our late Allies and from the Scandinavian Kingdoms.

Position of National Finances

The state of the national finances deserves a wider and more profound consideration than the subject appears to receive. The net debt which before the war was $331,000,000, had on October 31st last reached the vast, sum having regard to population, of $1,785,000,000, an increase of more than five-fold in as many years. That debt is still mounting, and by the close of the current fiscal year, that is to say on March 31st next, will not be less than two thousand million dollars and probably more. The situation is a serious one, though mitigated by the fact that our debt is largely internal. We cannot go on borrowing indefinitely, and it is a certainty that we shall have to bear a much heavier burden of taxation than formerly for many years to come. To repeat the formula that has been heard so frequently, but to which, unfortunately, sufficient attention has not been paid, relief is to be found in immigration, harder work, greater efficiency, increased production and thrift. To these agencies must be conjoined rigid economy in all private and public expenditure.

There arises in this connection the question of methods of taxation, which may require readjustment to meet post-war conditions. Trade is being hampered by a somewhat penalizing excess business profit tax, and unless this impost is speedily reduced or abandoned altogether, we cannot meet unencumbered competition on equal terms. Furthermore, enterprise and expansion are stifled and foreign establishments deterred from entering the Canadian industrial field. Taxation should be so distributed that it will not have the effect of making this country too dear to live in and thereby divert intending residents to other countries.

Doing away with many exemptions and imposing taxation on all classes of the community who have the ability to pay, and placing a high tariff upon imported luxuries would, I believe, cause little hardship and considerably ease a strained financial situation, besides giving all persons in Canada a more immediate interest in the economical administration of our public affairs.

Canada can and will meet all her obligations, and of her ability to do so no more conclusive evidence need be given than the immense subscription to the recent Victory Loan.

With regard to the subject of foreign trade, it is only a matter of time before increased production will overtake domestic demands, and unless preparations are made in advance for finding markets overseas for our exportable surplus of raw materials and manufactured goods, our uninterrupted prosperity may be checked. The needs of foreign countries are great and presssing, and profitable business awaits the Canadian exporter, but it cannot be acquired unless long term credits are provided.

Our Government has been far-sighted in giving assistance in this direction and, no doubt, is prepared to extend further aid, provided exporters, who reap the benefit, will assume a proportion of the risk.

Self-interest alone would seem to dictate that credit facilities be extended to those countries who can demonstrate their ability to pay if given reasonable time, and we would thus avoid the possibility of abrupt changes in industrial conditions and bring about a gradual return of international trade equilibrium.

I cannot close without voicing what I am sure, is the feeling of every Canadian—that the recent visit to Canada of His Royal Highness the Prince of Wales not only gave abiding pleasure to every class of our population, but rendered a great and memorable service to the Empire in strengthening the Throne in the affection and confidence of the people, and by drawing still closer the ties which bind the commonwealth of nations over which he is destined to reign.

The General Manager's Address

Sir Frederick Williams-Taylor, General Manager of the Bank, then made his annual address, as follows:

Mr. Chairman and Gentlemen:—The balance sheet to the 30th October last, which I now submit for your approval, covers a round period of twelve months following the armistice.

The economic and financial difficulties that confronted the country during the war have since changed in nature, but have not disappeared by any means. There is an aftermath of problems which Canada must face and in which bankers are vitally concerned. At present there is great trade activity; yet our Therefore, even with a full measure of faith in our country, I find the near future difficult to visualize. We derive a measure of consolation in comparing our lot with that of countries worse off than our own, but contiguity and ambition direct our eyes towards that country to the south which has benefited so vastly by the war.

It is no reassuring reflection that the United States has already reduced its war debt by some $800,000,000, while we confront an increase of $600,000,000 for the current year. It seems obvious, however, that though fate has treated the two countries differently, any prosperity experienced in the United States must be reflected in Canada. Our true comfort, as well as our pride, is that the Dominion did its duty in the great war as a part of the British Empire. No Canadian would have it otherwise, and therefore we face the cost with stout hearts nad the future with watchful serenity.

Turning to the special features in our balance sheeet and the points of interest arising therefrom, I might say, first, that the absorption of the Bank of British North America has been so smoooth and complete that no ripple appears upon the surfact of our affairs. We believe its friends and officers alike feel at home in the Bank of Montreal.

Since presenting the last balance sheet, there has been an increase in our capital stock of $4,000,000, with a corresponding increase in Rest Account. Both items now stand at $20,000,000. The increases are primarily in connection with the acquisition of the Bank of British North America.

Shareholders of that Bank were accorded the option of taking cash or exchanging their holdings into Bank of Montreal shares on a determined basis. After the allotments had been made under this arrangement, our own shareholders accepted the opportunity of subscribing for the limited remainder of capital shares to bring the whole up to $20,000,000. Our authorized capital is $28,075,000.

Many of our banking transactions during the post-bellum year under review were unusual in character and of special interest. They need not be described in a report of this nature. It will suffice to say that they have added to the strength and prestige of the Bank.

Our profits for the year have been satisfactory, enabling us to provide the usual return of 12% on capital and make adequate provision for doubtful debts.

No Profiteering by Banks

It seems to me of sufficient importance to bear repeating that there has been no profiteering whatever by the banks of Canada for the price of money has not been raised. Alone of all commodities, the cost to the borrower of loanable funds of the banking institutions of this country remains unchanged. Not only is this the case, but, speaking for ourselves, it seems only proper for the shareholders to know that in handling business entrusted to us by the several Governments during the war and since, our policy has been to charge only the narrowest of commissions and minimum interest rates. In many instances, where the services were of a war character, we have acted free of charge.

The Bank's earnings have been maintained through fuller employment of our reserves, the ratio of our liquid assets to liabilities being 67%, as compared with 71% a year ago. There has been no restriction of credit to our commercial borrowers. All legitimate applications of this nature have been granted. Also we have loaned freely to subscribers against the security of the various war loans, and to Municipal, Provincial and Federal Governments as required.

Unusual Freedom From Losses

It is pertinent to mention that, in the ordinary trade of the country, money has been made so easily and with so little risk since 1914 as compared with ordinary times, that our Banks, in turn, have operated with unusual freedom from losses. As a measure of prudence, however, we provide for contingencies, a policy with which, we feel sure, you will be in accord.

The practical evidence of Canada's fortunate trade conditions lies in the fact that commercial failures for the twelve months ended 31st October were 766, as compared with 904 for the previous corresponding period and with 1669 in our bank year 1912-1913.

That outstanding subject, the high cost of living, has been dealt with by your President, but I might add that the inevitable decline in prices is at least nearer, and it is to be hoped that the delay is not lulling dealers into the erroneous belief that the standards of these last few years will continue indefinitely. Misconception on this point would constitute a menace alike to borrower and banker. It seems certain that food prices will drop presently and that all commodities must decline in price; therefore, great care and scrutiny of credits on the part of bankers and other business men are imperative.

Our savings deposits continue to grow satisfactorily both in volume and in number. The fact that we are custodians of deposits of a special nature inevitably causes our total figures to fluctuate heavily. Our total deposits are, $442,000,000, being $27,000,000 less than a year ago. Our deposits ten years ago were $173,000,000.

The total deposits of all Canadian Banks are now $2,300,000,000, as com-

Our current loans in Canada also vary largely in volume. The total is now $164,000,000, as compared with $146,000,000 at the corresponding date last year.

Our provincial and municipal borrowers continue to exercise caution in the matter of capital expenditure. Loans in this class aggregate $15,000,000.

The Bank's premises account has been reduced by $500,000 through the sale of certain banking properties not required.

Among our assets, the item Dominion and Provincial Government securities, including loans to the former, now stands at $64,000,000. A year ago, the total was $46,800,000. The total holdings of all the banks, as indicated by the Government return of October 31st, was $361,200,000.

Problems of Exchange

The premium on New York funds, the increase in our national debt and in our Canadian currrency circulation, are matters of deep interest and should be studied by all.

The purchasing power of the Canadian dollar in the United States has decreased, as reflected in the premium on New York funds. A year ago it cost two dollars to send one hundred dollars to the United States of America; to-day the cost is four dolllars, and seventy-five cents.

Exchange is now a subject which, as an English authority states, "insists on bringing itself to the attention of all kinds of people who hitherto regarded it as a sort of mysterious cryptogram with which they had no practical connection." In elementary terms, more money continues to flow out of Canada than comes in thus creating a net balance against us after taking all transactions into account. New York being our natural clearing house for transactions with Great Britain and the rest of the world, it is clear that the present extraordinary cost of sending money to the United States would not exist but for the fact that we cannot spare the gold with which to pay the net balance in question against this country, while, in common with all countries, our legal tenders are naturally not current abroad. We should have precisely the same conditions between our own Provinces, were it not that our legal tenders and bank notes are current throughout the Dominion.

It is true the balance of trade was in favor of Canada to the extent of $340,000,000 for the year ended 31st October last, but whereas we paid for all our purchases abroad, we have, in the same period, shipped goods on credit to England and Continental countries to the extent of many millions not easy to estimate, besides sending out of Canada annually about $200,000,000 interest on our recorded indebtedness abroad, mainly to Great Britain and the United States. These facts alone would not create an adverse exchange to the extent that exists, but, in addition, there are the invisible earnings in the Dominion of foreign business corporations, chiefly American, seeeking return to proprietors abroad. The disadvantage Canada is under in respect to the premium on New York funds will last until the ebb and flow of such funds are equal. Repayment to Canada of the moneys, aggregating $420,000,000, owed us by Great Britain and the Allies would quickly cause the premium in question to disappear. We naturally shall be repaid in the fullness of time, but it is well to bear in mind that an alleviation of the penalty can as surely be found by diminution of imported luxuries as it is certain that the penalty, in part, is caused by such importations. Also, the situation could be relieved by borrowing in the United States, but this course is to be deprecated and would not be a cure, but merely postponement of payments. As indicated by your President, the true remedy lies in increased production and the economy that would be reflected in resumption of those personal sacrifices of pleasure made during the war. It is here in place to remark that in the eyes of Europeans the people of North America are extravagant and wasteful.

Since the outbreak of war, Canada has created fresh domestic credit instruments in the form of bonds of $2,100,000,000. The increase of circulation and of bank deposits followed as a natural sequence.

Our bank and Government note circulation is now $532,000,000, as compared with $236,000,000 in 1913, an increase of $296,000,000. In the same period the total gold held in Canada has increased $60,000,000.

Government Financing

Canadian provincial government, municipal and industrial public loan flotations during the twelve months under review, were $117,500,000, of which in round figures, $90,000,000 was placed in the United States. The discount on the Canadian dollar attracted material American buying of such securities, especiallly of those domiciled in New York.

In Great Britain, the dollar exchange situation is the cause of much anxious thought. Meanwhile, the present low value of the pound sterling in America encourages special operations such as the purchase in London of Canadian and American securities. These operations help to corect the abnormal conditions and, granted a reasonable attitude on the part of labor, there is ground to justify confidence regarding future financial and industrial conditions.

Considering the time, money continues plentiful in England at moderate rates, and there is no thought on the part of London of surrendering an historic position as the financial centre of the world.

As in the previous years of war, our London office has been cut off from the important business of issuing loans for Canadian borrowers, but, on the other hand, it has increased greatly in importance, and utility as an administrative centre for our foreign business, and is steadily growing in great value to our branches on this side of the water.

The Dominion Government, in July of this year, borrowed $75,000,000 in New York for refunding purposes. The terms paid by the Government were onerous yet unavoidable. Evidence that the price of issue was in keeping with American market conditions lies in the fact that there has since been no rise in the quoted price. Incidentally it may be mentioned that Canada secured as good terms as in the case of the recent British loan of $250,000,000 in the same market.

throughout the Dominion. This is a healthy and desirable condition induced by Government war loans and war savings certificates. It is vital that Canadians should recognize the virtue of saving. As between production and thrift, though they should go hand in hand, the latter is fundamental and leads naturally to the former.

We have opened 49 branches during the year. We will open more as and when circumstances justify.

Our Paris office is well established in attractive premises, and has already proved its value locally and as a link between our extensive European connections and London, New York, Chicago, San Francisco and Canada.

Our branch in Trafalgar Square, London, which was opened to provide extra facilities for Canadian soldiers, has been closed and the business merged in our Waterloo Place office. It is our hope that our many frineds who were familiar visitors in uniform at the latter will continue to make full use of our facilities when they revisit London, whether in a military or civilian capacity.

It will interest you to know that on my recent trip to the Pacific Coast, when I travelled nine thousand miles in visiting various branches of the Bank, I met some 110 of our Managers, and returned more than ever satisfied with the personnel, the intelligent loyalty and devotion of our ever-increasing staff of officers.

Such meetings are advantageous to the Bank and an inducement also to close relations between the Bank and its friends at distant points.

Potential Wealth of West

It is impressive and satisfying to view the Dominion's greatest quick asset, the rich wheat areas of our three Western Provinces at harvest time. While this year the yield was not up to the mark, the Western farmers had much to be thankful for.

In British Columbia, one is struck by the confidence of the people in the future of their rich and beautiful Province, with its wonderful climate. It is a healthy sign that the men of affairs in the West hold such sane views concerning the outlook locally and for the Dominion at large.

I hope that time may presently permit me to visit other divisions, as I did British Columbia and the North West.

In concluding,, I have no hesitation in expressing the belief that the affairs of the Bank have never been in a healthier state. Our domestic business is expanding satisfactorily, our foreign branches and connections have been adequately extended to meet the development of the country's trade, and, what is most important, we are well equipped in point of staff. Altogether, I feel that we are well prepared to meet any conditions and contingencies that may arise.

Our Superintendents have reported on Provincial Conditions as follows:

Quebec

The cut of lumber during the past season was not as large as usual. Practically all stocks have been sold and shipped out. Prices were high. Labour conditions show improvement and a larger cut is looked for this winter.

The demand for pulpwood from the United States was uneven, but stocks have been well disposed of and high prices are expected to be maintained.

The paper mills of the Province continue working to capacity, the demand for newsprint and better qualities of print papers exceeding the supply.

Manufacturing in nearly all lines has been generally satisfactory, although roduction is still limited by scarcity of skilled labour and raw materials.

Hay and cereal crops were average. Root crops were large, but potatoes suffered from rot. Pasturage was good and dairy products will show an increase.

With the exception of asbestos, there is little mining done in the Province. Asbestos prices are good and shipments are well maintained.

The fur business has been good, and boot and shoe manufacturers find difficulty in supplying the demand.

Shipbuilding continues active, a number of large steel vessels, having been launched from different yards during the year.

The wholesale and retail trade was most satisfactory; collections were good and failures show a decrease.

There have been no exceptional expenditures during the year by the Dominion or Provincial Governments and municipalities have limited disbursements to necessary works. Practically no railroad construction was undertaken.

There is very little speculation in real estate; values and rentals are both high.

General conditions, both in cities and rural districts, are good, with no apparent slackening in trade since the termination of the war. The housing problem is everywhere acute, and those dependent on a fixed income are seriously affcted by the abnormal cost of all necessaries.

Ontario

Manufacturing in Ontario has been limited only by shortage of supplies and disturbances in labor. Government credits for goods sold to Europe have stimulated manufacturing and domestic demands have been insistent. New industries have been started, and a number of successful manufacturing concerns in the United States have been making enquiries with the intention of locating in Ontario.

Ontario farmers have been steadily bettering their position in recent years, installing modern equipment and improving their modes of living. The past year has been one of fair crops and high prices. A wet spring was followed by an exceptionally dry summer, and grain crops, with the exception of fall wheat, fell below the average. Root crops were good; corn and tomatoes were a record yield; the season was poor for all fruit except grapes. Cheese production showed a falling off. There is a shortage of hogs; sheep raising is on the increase. The cattle situation is somewhat unsettled, owing to the limited amount of feed available for carrying through the winter.

The production of lumber has been seriously reduced owing to shortage of labor. 1919 has been an excellent marketing year, with heavy sales to Great Britain and the United States, and a steady domestic demand for all classes of lumber. Prices have been unusually high, there is no accumulation of stocks

operating, the year has been a successful one. Pulp and paper have been in large and increasing demand, with soaring prices for the latter.

Mining production during the year has been curtailed. The demand for nickel fell off after the armistice; strikes lessened the silver output. Both these situations are improving and larger production has taken place at the gold mines.

Both wholesalers and retailers report it easy to sell goods. Credits are shortened and bad debts negligible.

Larger expenditures were generally made by municipalities this year in an effort to overtake works postponed during the war.

Population shows a general increase, with a tendency to drift to urban and manufacturing centres.

Values in real estate are steadily increasing. So little building took place during the war that there is now a general shortage, particularly in dwelling houses, and in consequence there is much activity in real estate and an improvement in the building trades.

There has been a continued extension in hydro-electric power during the past year, and works at Nipigon and Chippewa, as well as at other places less important, will within the next two years add very largely to the available power for manufacturing and other purposes throughout Ontario.

Generally speaking, the year has been one of great activity throughout the Province.

Maritime Provinces

The past fishing season has been successful, the catch being almost a record one. Prices are lower, however, and ocean transportation is still restricted. The American, West Indian and Southern Brazil markets will probably take most of the available supply.

The output of coal was below last year's figures, owing to a slackened demand, a shorter working day and labor unrest. Steel plants show a decreased output. The construction of the new plate mill at Sydney nears completion, and when in operation will be a factor of great importance commercially to the whole Dominion.

The lumber cut was above that of last year and has been largely sold to the British and French Governments at high prices. The demand is good from the United States, but sales have been curtailed owing to transportation difficulties. Labor is more plentiful and, notwithstanding high wages and the excessive cost of provisions, indications point to an average cut this coming winter.

The crop of hay and cereals was above the average. Root crops were again large, but potatoes were slightly damaged by rot. Fruit harvested in good condition was almost a record crop.

Manufacturing along conservative lines shows steady progress.

Owing to continued excellent prices received for farm products, fish and lumber, and the high wage scale, both wholesale and retail trades have been good, with few and unimportant failures.

The Dominion Government expenditures have been largely confined to work on ocean terminals at Halifax and to the dry dock and breakwater at Courtenay Bay, St. John.

Provincial and municipal expenditures have been limited to necessary works.

A steel shipbuilding plant is being built at Halifax, and four steamers are already in course of construction. Small wooden vessels continue to be built in Nova Scotia and New Brunswick, although the demand is not so good as a year ago.

Business in the Maritime Provinces has been little affected by the change from war conditions to those of peace, and trade activity continues.

Prairie Provinces

During part of the past season extensive areas in Saskatchewan and Alberta experienced, in common with the North-Western States, severe drought and loss of crops, but owing to good yields in other areas and to high prices the value of grains raised exceeded that of the year 1915, when the largest crop in the history of the West was produced.

Failure of pasture and hay in certain districts caused anxiety to ranchers, and while autumn rains brought relief, the scarcity and high price of feed for winter use forced the sale of some unfinished cattle at prices adversely affected by worse conditions in the United States. The high value of wool has encouraged sheep ranchers to pay prevailing prices for winter feed and carry over flocks. Heavy and profitable yields from irrigated lands are giving a new impetus to irrigation which already stabilizes the live stock industry in Southern Alberta.

Saw milils were in active operation during the past season and found a ready market at profitable prices.

Coal, a most important natural asset of Alberta and Saskatchewan, especially of the former, has not been produced in quantity to equal demand, strikes and labour shortage having reduced the output.

There has been renewed activity in the search for oil in Alberta. In Northern Manitoba, gold and copper prospects are receiving increased attention and attracting capital.

Results from the summer fishery in the West were satisfactory. The principal source of supply at present is Lake Winnipeg, from which white-fish alone to the limit of three milllion pounds was taken. Other important fisheries are at Lesser Slave Lake and Lac la Biche.

Some progress has been made in carrying out an extensive plan to develop new power at the Winnipeg River, Manitoba.

There are many evidences of increase in the population. Immigration desirable in character, although not yet large, shows a substantial increase over last year (1918), while the figures are small compared to pre-war years.

Central city real estate has been firmer in price, and small dwellings are in great demand. Farm lands have sold freely at new high prices.

Trade, wholesale and retail, has been good. Manufacturers have operated their plants to capacity or limit of labour, and have found a ready market.

The past season witnessed fresh activity in constructing branch railway lines, although all plans could not be carried out owing to shortage of labour.

The West on the whole has had a prosperous year, exceptions being the districts in which crops were lost through drought.

Wales were the happpiest and most important events in many years.

British Columbia

In the opening months of the year the lumber trade was dull, but in the spring a heavy demand arose in the United States and accumulated stocks were disposed of at rising prices. Great activity prevailed during the summer and autumn. The demand for cedar shingles has been good, and prices have reached unprecedentedly high figures. The outlook for the coming year is exceptionally good, both in domestic and foreign markets. The pulp and paper millls have been busy, and their product is on the increase. Shipments are largely to the Orient and to the Antipodes.

The total salmon pack, while not quite so large as last year, brought high prices, and the result proved satisfactory. The halibut fishery is decreasing, due to over-fishing of the banks. All things considered, the fishermen have had a profitable year.

Mining development throughout the Province has been retarded by unsettled labour conditions and the high cost of supplies, and the total output for the year is not expected to be as high as that of 1918. Mining is being carried on in a practical businesslike manner, and there is no speculation in mining stocks.

Grain crops were affected by drought and were below the average. Fruit and vegetables have been good crops with prices ruling high. More attention is being given to agriculture, and farmers and growers generally have had a profitable season.

The shipbuilding programme in British Columbia is about finished and new contracts have not yet been made, although negotiations are in progress with that object in view. The industry has been valuable to the coast cities in British Columbia during the past three years. The Government is building a graving dock at Esquimalt and negotiations are being conducted with the Government for construction of a drydock at Vancouver, a necessity for the port.

Wholesale trade has been good and retail trade active.

Railway construction has been carried on during the year in extending the Pacific Great Eastern, connecting up the Canadian National Railway between Kamloops and Kelowna, and in extending the local railway on Vancouver Island.

Municipal outlays have been restricted to ordinary expenditures. The Dominion Government have in contemplation a considerable expenditure for extension and improvements to Vancouver harbor.

The real estate situation has improved during the year; properties have been turning over at fair prices, but without speculative values. Rents have increased, and there is a scarcity of dwelling houses in all parts of the province.

The population has increased, and further immmigration is expected during the coming year.

Conditions throughout the province on the whole are better than they have been for some years, and prospects appear good for continued business activity into the new year.

Newfoundland

The estimated catch of cod will be substantially the same as last year with purchasing prices about 25 per cent. less. The comparative export figures to 30th June, 1919, are:

Dried Cod

	Quintals.	Value.
1919	1,618,770	$24,316,830
1918	1,821,206	18,829,560

Pickled Cod

	Quintals.	Value.
1919	212,253	$1,543,282
1918	195,218	1,023,496

The frozen fish industry is being developed.

The output of the Bell Island iron mines was again smaller than the previous year, being 709,300 tons, as compared with 751,000 tons in 1918.

About the usual amount of lumbering was done. Paper manufacturers are now running their plants at full capacity. Tonnage is available, and stocks have been marketed at high prices. The pulp industry is dull.

The take of seals was the smallest on record probably owing to the limited number of vessels engaged.

Manufacturers of clothing, boots, shoes, ironware, cordage, and so forth, are all making money.

Wholesale and retail trades continue good, with payments well met.

With the high prices obtained for fish and oils, the financial position of the community is generally good. Interest-bearing deposits in banks show an increase of nearly $2,000,000 over last year.

Mexico

The Mexico oil-fields during the past few years have experienced a remarkable development. The total production of crude petroleum, which in 1907 was barely one million barrels, had risen to sixty-four million barrels in 1918, and is steadily increasing.

Mexico has benefited materially by the high price of silver, and the development of silver mining is again attracting foreign capital.

The Government of Great Britain has not yet extended formal recognition to the Government of Mexico, and we have consequently felt that prudence called for the continuation of a conservative policy in regard to our operations in that field.

The Chairman then moved, seconded by Lord Shaughnessy, that the Report of the Directors, now read, be adopted and printed for distribution among the Shareholders.

The Report was unanimously adpoted.

Mr. C. R. Hosmer moved, seconded by Mr. William McMaster, that Messrs. James Hutchison, C.A.; J. Maxtone Graham, C.A., and George Creak, C.A., be apppointed Auditors of the Bank for the ensuing year, and that the ballot for the Auditors b etaken at the same time as the ballot for the Directors is taken. Carried.

Thanks to Officers

Mr. James Rodgers then moved, seconded by Mr. John Patterson, that the thanks of the meeting be presented to the President, the Vice-President and Directors, for their attention to the interests of the Bank.

The President:—"On behalf of the Vice-President, the Directors and myself I thank you for your continued expression of confidence, and for the kind manner in which this motion has been presented and accepted by the meeting."

Mr. E. W. Beatty moved, seconded by Sir Charles Gordon, that the thanks of the meeting be tendered the General Manager, the Assistants General Manager, the Superintendents, the Managers and other officers of the Bank, for their services during the past year.

The motion was adopted unanimously, with applause.

General Manager's Reply

In replying to this the General Manager, Sir Frederick Willliams-Taylor, said:

"Mr. Beatty, Sir Charles Gordon, please accept my hearty thanks and the thanks of the Assistants-General Manager and Staff at large for your courteous commendation of our services during the past year.

"I am glad to say our staff is now recovering from the overwork and lack of holidays to which they were necessarily subjected and to which they willingly consented during the war.

"As for our men who served with the colors and survived, 1,182 in number, 663 have already been reinstated at the advanced salary they would have received had they not been absent on leave. A few have sought other employment, while some are yet to be heard from. Of the total who joined the colors it is my sad duty to now record the fact that 223, or 16 per cent., gave their lives for their country. No words of tongue or pen can fully express our pride in, or our admiration for, these gallant young crusaders. It must suffice to say that their names are not merely written in the records of this Bank and in the history of the Empire they served so well, but 'live on far away woven into the fabric of other men's lives. Such dead are honored with unchallenged admiration.'"

Election of Directors

The Board of Directors was re-elected as follows:

D. Forbes Angus, R. B. Angus, J. H. Ashdown, E. W. Beatty, K.C.; H. W. Beauclerk, Colonel Henry Cockshutt, H. R. Drummond, G. B. Fraser, Sir Charles Gordon, G.B.E.; C. R. Hosmer, Harold Kennedy, William McMaster, Sir Vincent Meredith, Bart; Lieut.-Colonel Herbert Molson, M.C.; Rt. Hon. Lord Shaughnessy, K.C.V.O.

At a subsequent meeting of the Directors, Sir Vincent Meredith, Bart., was re-elected President, and Sir Charles Gordon, G.B.E., was re-elected Vice-President.

ONLY ONE-TENTH MONEY IN WORLD BACKED BY GOLD

Continued from page 17.

London County, Westminster, and Parr's Bank, and the Bank of England. The first American bank is thirteenth on the list; it is the National City Bank with deposits totalling $800,000,000, while the Guaranty Trust Company of New York is fifteenth, next to the Bank of France. Italian, Brazilian, Spanish, Japanese and Argentine banks all come in before a Canadian bank appears on the list. The Bank of Montreal, with deposits of $400,000,000, is the thirtieth bank in order of deposits. The Canadian Bank of Commerce is thirty-second and the Royal thirty-fifth. In all, seven Canadian banks are among the world's one hundred largest.

Canada and Australia

Canada's independent position in the banking world is well exhibited by a comparison between the eighteen chartered banks of Canada and the seventeen Australian and New Zealand banks. All of Canada's banks banks are Canadian institutions controlled in this country. Of the Australian banks, six have their head offices in London, and of the others a large proportion of the invested capital comes from the British Isles. Total assets of Canadian banks are given at $2,750,000,000; of the Australian banks at less than $2,000,000,000.

PROFITS IN THREAD

Concern of J. and P. Coats a Veritable Gold Mine

The concern of J. & P. Coats of Paisley is known widely. From its latest financial report it appears to be more of a gold mine than generally appreciated and there is conviction that its surplus has become so big that it will do something in the way of increased capitalization to make its dividends and profits less conspicuous.

Its present capitalization is $50,000,000, divided into $12,500,000 of 6 per cent. preferred shares, $15,000,000 of 20 per cent. preferred ordinary shares and $22,500,000 of ordinary shares.

Its profits the last fiscal year were the largest in the last 14 years. For many years it has paid, in addition to the 6 per cent. on the preferred and the 20 per cent. on the preferred ordinary, 30 per cent. on the ordinary, together with occasional extra dividends of 5 per cent. on the ordinary. This year, in addition to the 30 per cent., the ordinary shareholders will get a 10 per cent. bonus. In the last eleven years the dividends on the ordinary shares aggregated 365 per cent.

The net profits for the last fiscal year, after paying the regular dividend on the preferred and the 20 per cent. on the preferred ordinary, would have warranted a 70 per cent. dividend on the ordinary, this after all allowances for excess profits, tax, etc.

The reserves aggregate $50,000,-

FEDERAL CONTROL RAILROAD DEFICIT OF $550,000,000

Credit of the Systems Has Been Seriously Impaired

CAN'T SELL SECURITIES

Readjustment of Earning Powers is Necessary to Save American Carriers From Bankruptcy

If the railroads are turned back to private operation at the close of this year, and present indications point to such action, the Federal operation of the transportation system of the United States will have cost the taxpayers of the country some $1,576,541,893 in actual expenditures. This total includes another estimated apportionment by Congress amounting to $326,540,893, which appears to be necessary in striking a balance between the carriers and the Railroad Administration on the last day of 1919. This will have been the final expenditure made by the Railroad Administration at the close of the year. The actual loss will be some $551,777,459, which will be the difference between what the roads earned for the Railroad Administration and their standard return guaranteed by the Government.

The difference between $1,576,541,893 total expenditures to the end of this year and the Federal operating deficit of $551,777,459, which is $1,024,764,434, represents Government money, advanced to the carriers in the two years since 1917, which in large part it will be impossible for the carriers to repay on Dec. 31, next. Of this amount it would appear that some $200,000,000 will be refunded through the medium of the National Car Trust for the financing of the equipment bought and allocated by the Railroad Administration, soon after the roads are turned back, and the amount may also be decreased by the payments which it is estimated that the roads will be able to make at the close of the year.

These payments, according to official figures prepared by the Railroad Administration, consist of demand loans and short-term notes amounting in round figures to $53,080,000, and $75,550,000, respectively; open account balances in favor of the Railroad Administration which total approximately $370,380,000, and $45,100,000 for additions and betterments, financed through open accounts due companies. These, with the addition of the $200,000,000 which is expected to be realized through the National Car Trust, total some $898,138,261, which will be payable to the Government as of Dec. 31, 1919.

On the opposite side of the account the Railroad Administration owes the roads $855,395,851 in compensation, which has not been paid, and it is estimated that it owes them some $304,179,281 for depreciation and retirements, while balances of open accounts due the roads will amount to approximately $65,105,000 at the end of the year.

So far the total of appropriations made available for the Railroad Administration has been $1,250,000,000. The difference between this and the estimate of final funds to be expended to the close of this year is the $326,541,893 which must now be appropriated to allow for payment of amounts due the roads by the Administration as of Dec. 31, 1919.

Forecast of Balance Sheet

The estimated balance sheet of the Railroad Administration showing just how it will stand with the railroads as of Dec. 31, 1919, as regards items payable follows:

Accounts with the railroad corporations payable Dec. 31, 1919.		
*Due the Government:		
Demand loans		$ 53,978,186
Short-term notes		75,553,167
Open account balance due Govt.	$220,053,510	
Less amount not now collect...	66,028,228	
		154,025,282
For additions and betterments except allocated equipment financed for income		370,381,494
Allocated equipment financed under National Car Trust		200,000,000
For additions and betterments financed through open account due companies		45,100,132
Estimated additional apportionment by Congress...		326,541,893
Total		$1,224,680,154
Due companies:		
Balance on compensation..		$ 855,395,851
Depreciation and retirements		304,179,281
Open account balance due companies		65,105,022
Total		$1,224,680,154

*To strike a balance for 1919 the estimate of addition to revolving fund by apportionment is added to amount due Government.

The foregoing table which was pre-

Division of Finance of the Railroad Administration, does not show why additional funds are required, but Mr. Sherley continuing his presentation of the situation, contained in a recent letter to Chairman Esch, of the House Committee on Interstate Commerce, says:

"When the Railroad Administration shall have made settlement with the railroad companies in accordance with the foregoing, the situation will be as follows: The Railroad Administration will have expended and there will, in consequence, have been correspondingly consumed or tied up:

"1—Amount necessary to defray operating deficit, the difference between the standard rental payable to the railroad companies and the estimated net operating incomes for the twenty-four months ended Dec. 31, 1919, $551,777,459.

"2—Amount of cash working capital necessary to leave temporarily with the corporations until the return from the operations of their properties after Federal control, become available, $359,943,276.

"3—Amount of open account due Government by the corporations representing payments by Government of corporate liabilities which the corporations cannot repay at this time, $66,028,228.

"4—Amount of additions and betterments, expenditures, including equipment, made to the railroad companies' properties during 1918 and 1919, which must be carried by the Railroad Administration for the time being, $518,075,309.

"5—Improvements on inland waterways, $14,341,886.

"6—Loans during 1918 and 1919 to railroad companies not immediately repayable, $48,375,735.

"7—Boston & Maine reorganization, $20,000,000.

"These items total $1,576,541,893.

This, then, is what will probably be a close estimate of the balance sheet of the Railroad Administration after two years of Federal control and operation of the transportation of the country. It can scarcely be characterized as a favorable argument for Government ownership or efficiency. Of course, it is true that the end of the war came a little before the middle of the period, and that the Government had to carry the lines through the uncertain period of readjustment which followed the war, but the fact remains that even in the first year of that control, the roads, bearing all of the paying traffic they could possibly carry, failed to earn as much as they had under private ownership in the three-year test period before the war.

Decline of Securities

As the direct result of the impaired earning power of American railroads their credit has suffered in the investment markets to which they look for new money.

As Federal control progressed and it became evident that the surplus earnings which had been predicted might actually turn into an operating deficit, it became increasingly difficult for houses of issue to sell railroad securities in our markets. When an operating deficit was assured at the close of the first year of Government control this became even more apparent, and the current year has seen a dearth of railroad offerings for the simple season that there was no market for them.

A short time ago one house of issue offered $1,500,000 6 per cent. bonds of a strong industrial concern for public subscription. In less than an hour orders had been received for the entire issue and more than $1,000,000 in addition. About six months ago, the same house, which is considered as one of the most conservative in New York, offered as one of a strong banking syndicate an issue of ten-year 6 per cent. obligations of one of the comparatively few creditor railroads which have shown a profit for the Government since 1917. To-day the bonds which were offered at an attractive price have all been sold and the market price for the issue is below the price secured by the railroad company which sold them to the syndicate. Because of this lack of confidence in railroad issues maturing first mortgage bonds have been extended because bankers have felt the pulse of the investment market and found it weak for even the high-grade railroad paper.

The solution of the problem lies in a rapid readjustment of the relation between railroad earnings and railroad expenses. This can be effected safely by a return of the properties to private operation, thus eliminating Government control, which has served to decrease general confidence in railroad securities, and by the establishment of rates, by increasing them, which will allow for a return on railroad securities attractive enough to hold the attention of the investor who is now putting most of his money into industrial obligations.

At the close of the three-year test period upon which the compensation guaranteed to the roads during Federal control was based, that compensation was equal to a return on the capital investment of that date of 5.22 per cent. Estimates made recently place the present return on railroad investment at approximately 3½ per cent.

Detroit has spent $59,000,000 on new construction work so far this year, of which $29,000,000 went for homes and $30,000,000 for new factories, stores, etc. This is $9,000,000 more than the total of all the building permits issued in the thirty-five largest Canadian cities during

LABOR BENEFITS FROM EARNINGS MADE BY CAPITAL

Much Misunderstanding About the Division of the Profits

FOR COMMON WELFARE

Practically All Industrial Operations Are for the Purpose of Supplying the Masses of the People

By HON. GEO. E. ROBERTS, Vice-President, National City Bank, New York.

We are hearing a great deal now to the effect that a new era has begun, in which the common people will fare better; that labor is about to have a larger share of the joint product of labor and capital than in the past. There is a vast amount of misunderstanding about the division between capital and labor. The truth is that the greater part of all that capital seems to get really inures to the benefit of labor, for all additions to capital seek investment in production and labor is the chief beneficiary of increased production. Wages depend on production, and production is increased by placing more and better machine equipment in the hands of labor.

There is a definite relationship between the amount of new capital available for investment, and the demand and compensation for labor. They go along together. The great principle of social progress lies in the fact that in all advanced countries capital increases faster than population and that there is no way in which capital can be put into use except by employing labor. Every dollar of new capital accumulated means a new demand for labor, and with capital increasing faster than population labor comes into a constantly stronger position.

Must Work Together

Capital and labor must be used together, and when two things must be used together, and one is scarcer than the other, that one has an advantage. I remember that there used to be some such relationship out here between corn on one side and cattle and hogs on the other. If we had a big crop of corn and feeders were scarcer, corn would be very cheap and feeders would bring a good price; but if we had a short crop of corn and the country was full of feeders then the corn grower had the whip hand. So it is with capital and labor, except that the supply of capital is always increasing faster than the supply of labor. We saw the effects illustrated during the war; money or credit was relatively abundant; the Federal Reserve banking system could create credit, but it could not be used without labor, and employers all over the country were bidding against each other, and ran wages up to nearly double the normal rate.

Common Welfare

And do you realize that practically all the uses to which labor and capital are applied are for the common welfare? The vast expenditure for construction and equipment are for the purpose of serving in some manner the masses of the people, of supplying something they want and can afford to buy. There is no other employment for capital. It would not take many factories or railways to supply the wants of the rich; there are not enough of them; it is the wants of the millions that keep the wheels of business turning. And with capital increasing faster than population, and with the enormous increase in investment and equipment that is going on, with the improvement in methods and machinery, we have normally a constant increase of production per head of population, and the only way these commodities can be distributed is by such a continual readjustment of wages and prices as will enable the masses of the people to buy them.

Suppose you knew that in the years to come the production of wheat would increase faster than population; that it would rise from say five bushels per capita in 1918 to six bushels per capita in 1919, seven bushels per capita in 1920, eight bushels per capita in 1921, and so on indefinitely? Do you think that any possible combination could prevent the benefits of such abundance from reaching the masses of the people? And something like that is going on all over the field of production in which capital is the chief factor. And with this, the case, with capital increasing faster than population, you can no more prevent the benefits of progress from reaching the people than you can prevent the

PEACE RIVER

(Drawn From an Actual Photograph)

CANADA'S OIL FOR CANADIANS

EMINENT geologists and oil experts from all over the world, who have made careful and thorough investigations, report that they are convinced that in the Peace River district will be found the world's greatest oil reservoir.

That there is oil in Peace River has been known for over a hundred years, but only during the past few years has the territory been receiving the attention that it deserves. An impending world-shortage of oil, serious fuel problems in Canada, and the opening up of the resources of Northern Alberta have only recently focussed world attention on this great potential source of wealth.

Peace River Petroleums, Ltd., a Canadian Corporation, managed by successful Canadian business men, controls over 48,000 acres of the choicest lands in the Peace River country—in the very heart of the oil lands. The Company's holdings have been picked by experts as the vital spots in the Peace River country—the spots beneath which the crust of the great oil pool is most likely to be pierced.

The Company intends to develop these lands; to drill for oil, and do its part in proving the Peace River field. The present issue of stock is for the purpose of raising the funds necessary for complete development of the property. The money will be wisely and carefully spent under the supervision of the board of directors named in this announcement.

The directors have faith in their project, faith that has the backing of government geological reports, and the activities of the two greatest oil companies of the world who are also working in the district.

If you, too, have faith in Canada's resources, and want to contribute to the development of this great area, the potentialities of which are limitless, you are invited to participate in the present issue of stock.

There is no miracle in a good investment. A good investment is the result of good judgment.

We welcome the most thorough investigation. At the office of the W. C. Goffat & Company, 10-12 King Street East, Toronto, every question that you may care to ask concerning this company and its projects will be answered.

Canada is at present suffering from a shortage of coal. Would not a full development of Canada's oil resources enable this country to be independent of other nations for its fuel supplies?

Peace River Petroleums Limited

(NO PERSONAL LIABILITY)

General Offices: Sterling Trust Building, Toronto, Canada

Capital Authorized, $5,000,000.

Divided into 5,000,000 Shares of par value $1.00 each

Officers and Directors

President:
JOHN HALLAM
President John Hallam Ltd., Furs, Hides and Wool, Toronto.

WM. BRADSHAW
of A. Bradshaw & Son, Ltd., Wholesale Dry Goods, Toronto

CECIL H. THOMPSON
Vice-President Anglo-American Lumber Company, Toronto.

THOMAS A. MITCHELL
of Denton, Mitchell & Duncan, Wholesale Dry Goods, Toronto.

ADAM ANDERSON
Importer & Manufacturers' Agent Toronto

BYRON GEORGE COHEN
Wilson & Cohen, Importers and Manufacturers Toronto

SIDNEY C. BRASIER
of Wagner, Brasier & Co., Wholsale Fur Merchants, Toronto

THOMAS A. CAIN
General Manager, Reo Sales, Ltd., Toronto

ALLAN McPHERSON
President Quincy Adams Lumber Co., Ltd.; Director Chartered Trust & Executor Co., Longford Mills, Ontario.

Peace River Petroleums Limited, was incorporated to acquire the holdings of three companies controlling lands in the Peace River oil area. The companies whose lands have been taken over and the amount of land they controlled are as follows:

The Consolidated Oil-fields of Peace River, Ltd.	13,000 acres
The Smoky River Oil Company, Ltd.	10,000 "
The Peace River Syndicate	25,000 "

These lands have been paid for in the capital stock of Peace River Petroleums Limited. One share of stock in the new company has been paid for each share or its equivalent in the former organizations, no cash whatever being paid. In all, 2,900,000 shares of Peace River Petroleums Limited, have been issued in this manner. 1,000,000 shares of stock are now being offered for public subscription, leaving 1,100,000 shares in the treasury.

The purpose of the present offering is to raise the funds necessary for development of the company's immense holdings. It is estimated that the proceeds of this issue will be sufficient to carry on development work for over two years.

The names of the directors, listed above, are alone a guarantee that development work will be aggressively carried on and that the funds will be wisely spent.

The charter of incorporation gives the company power to control oil lands and operate oil-wells—build pipe lines—erect and operate refineries—own and operate tank cars, railways and steamboats—to produce natural gas—operate and supply municipalities with light, heat and power, also to manufacture gasoline from natural gas.

(Gasoline manufactured from the wet gas that comes from the wells at Peace River should become an enormous revenue-producing asset to Peace River Petroleums Limited.)

The company also has power to operate and develop coal, iron and other valuable mineral deposits.

SOLICITORS—Starr, Spence, Cooper & Fraser, 120 Bay St., Toronto, Canada; Cormack & Mackie, Edmonton, Alberta.
BANKERS—Canadian Bank of Commerce, Head Office, Toronto, Canada—Branches throughout Canada.
TRANSFER AGENTS—The Trusts and Guarantee Co., Ltd., Bay Street, Toronto, Canada.
FINANCIAL AGENTS—W. C. Goffatt & Co., 10-12 King St. East, Toronto.

STATUTORY INFORMATION

(b) The following information is given to meet the requirements of the Ontario Companies Act:—The qualification of a director is the holding of one share. The by-laws contain the following provisions: "The directors shall be paid out of the funds of the Company by way of remuneration for their services such sums as the shareholders in annual or special general meeting may from time to time determine, and such remuneration shall be divided among them in such proportion as the directors themselves may determine, and also the sum of $10.00 for each meeting attended, and shall also, in addition thereto be paid (after approval of the account by the board of directors) all out of pocket disbursements actually and properly incurred by them in connection with the affairs of the Company, including any travelling and hotel expenses incurred in attending meetings of directors or shareholders. If any director, being willing, shall be called upon to perform extra services or to make any special evertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company shall remunerate the director so doing, either by a fixed sum or by a percentage of profits or otherwise as may be determined by the directors, and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided by by-laws." The by-laws further provide that the remuneration of the officers, including the president, vice-president, secretary, treasurer, general manager, or managing director all of whom may be directors shall be settled from time to time by the board. (c) The names, descriptions and addresses of the directors are: William Bradshaw, 25 Wellington Street west, Toronto, Ontario. John Hallam, 111 Front Street east, Toronto, Ontario. Sydney Charles Brasier, 86 Front Street east, Toronto, Ontario. Adam Anderson, 89 Delaware Avenue, Toronto, Ontario. Thomas Mitchell, 83 Wellington Street west, Toronto, Ontario. Thomas Alfred Cain 593 Yonge Street, Toronto, Ontario. C. H. Thompson, Toronto, Ontario. George B. Cohen, 69 Bay Street, Toronto, Ontario. F. A. Rowlatt, 26 Adelaide Street, Toronto, Ontario. J. A. Izzett, 26 Wright Avenue, Toronto, Ontario.

(d) The minimum subscription is five shares, and the amount payable on application and on allotment on each share is the full amount of the price at which such share is issued. (e) Under the by-laws a further call or calls may be made upon shares subscribed for as and when the directors may determine, but the shares now offered are being issued not subject to further call. (f) 816,000 fully paid and non-assessable shares of a par value of $1.00 each have been issued or are proposed or intended to be issued in consideration of the transfer and assignment to the Company of leases covering an acreage of approximately 25,000 acres of petroleum and natural gas rights in the Peace River District, in Alberta and in British Columbia. (g) There are no vendors of any property purchased or acquired by the Company, or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by this Prospectus, or the purchase or acquisition of which had not been completed at the date of the issue of the Prospectus. (h) No amount is paid or payable as purchase money in cash, shares, debentures or debenture stock or other securities for any such property. (i) Nothing has been paid or is payable as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares in the Company, or for underwriting or procuring the underwriting of any securities issued or to be issued by the Company, but the letters patent authorize a commission of twenty-five per cent. (j) The estimated amount of preliminary expenses is $15,000.00, which is payable by the Company. (k) The amount paid for the preceding three years or intended to be paid in cash, shares, debentures, debenture stock or other securities, to any promoter, and the consideration for such payments are in paragraph (f). (l) The following contracts have been entered into:—Contract between J. M. Bowman and the Company, dated November 19, 1919. Contract between W. C. Goffatt & Co., and the Company, dated November 19, 1919. Copies of the above contracts may be inspected at the offices of the Company's brokers, Messrs. W. C. Goffatt & Company, 10-12 King Street east, Toronto, during the usual business hours. (m) No auditors have been appointed. (n) The following directors are interested in the promotion of or in the property proposed to be acquired by the Company, and the nature and extent of their interests is as follows:—W. Bradshaw and Adam Anderson are interested as shareholders in Consolidated Oil Fields of Peace River, Limited, to the extent of 31,300 shares and 15,000 shares respectively. Sydney C. Brasier, Thomas Mitchell, Thomas A. Cain, John Hallam and Allan McPherson, Geo. B. Cohen, C. H. Thompson are interested in the share consideration to be paid to the vendor, J. M. Bowman, above mentioned, to the extent of 20,000 shares, 20,000 shares, 40,000 shares, 20,000 shares, 20,000 shares, 20,000 shares, 10,000 shares and 20,000 shares respectively. The directors have been authorized to acquire shares in Smoky River Oil Company, Limited, and Consolidated Oil Fields of Peace River, Limited, for such consideration as they deem advisable, and it is proposed to acquire such shares in consideration of the issue of paid-up shares of this Company of a par value not exceeding the shares of such Companies so acquired.

Dated at Toronto this 26th day of November, 1919.

IMPORTANT

Oil has already been struck in two wells now being drilled on the Company's properties—Both wells will be drilled deeper to the crust of the big oil pool which we believe is to be found at the lower levels.

IN the past the cream of Canada's mineral resources have been exploited by foreign capital. This is a genuine Canadian enterprise which should have the support of every Canadian interested in the development of Canada's oil resources.

The names of the directors, all of whom are well known Canadian business men, are alone a guarantee that development work will be aggressively proceeded with, and the funds of the company expended with economy and wise judgment.

The property will be drilled at various spots, chosen by our experts. One well has already been drilled on the Consolidated property to a depth of 1,129 feet, with an excellent showing of oil. The Victory Oil Co., Ltd., drilling under a sub-lease from the Consolidated Company on a royalty basis have drilled a 13-inch hole to 920 feet with two excellent showings of oil. The real oil pool, we believe, is below the spot where this oil has been struck. Drilling on both wells will be continued to the lower depths.

New drilling equipment has been secured to ship to Peace River and the drilling of new wells will be commenced under the direction of an expert field superintendent. As soon as the new machinery and derricks can be installed, work will be proceeded with without delay.

Indications are that oil exists at around the 2,500-foot level. To drill to this level costs about $30,000 for each well. Wells drilled to the 1,200-foot level to the upper oil sands will cost about $8,000. The money that will be available from the sale of 1,000,000 shares now offered will be sufficient to drill wells at a dozen or more points.

Canada is now one of the smallest producers of oil in the world, only producing less than 300,000 barrels. Last year Canada imported over 10,000,000 barrels, and her consumption is rapidly increasing.

With the tremendous oil resources that Canada possesses, she should and will be one of the largest producers of oil and become an exporter instead of an importer of oil.

The "Financier" of London, England, one of the oldest and most reliable financial papers in Great Britain, in a recent article practically demanded that the public are entitled to participate in the shares of oil companies, and that shares should not be offered to a favored few.

Here is an extract from their editorial regarding a recent issue of oil shares in England:

> Instead of permitting the investing public to participate in the financing of the project, they have arranged to offer the shares for sale only to their personal clients and friends, and to ignore the great investing public outside that favored circle. We cannot help thinking that it would have been fairer to allow the great body of British investors . . to apply for shares. . . Undertakings of national importance in their scope and objects ought not to be the possession of the privileged few, but should rather be in the beneficial ownership of investors generally.

Every investor, large or small, has an opportunity to invest in Peace River Petroleums Limited—a project of national importance to Canada.

No Bonus or Promotion Shares

There have been and will be no bonus or promotion shares issued by the Peace River Petroleums, Ltd. All the directors have paid cash for their shares; every dollar received for shares by the company goes into the treasury and will be used for drilling and development work and legitimate expenses.

Fill in and mail this application form to-day. Send for Prospectus and Map.

To—W. C. GOFFATT & CO.
10-12 King Street East, Toronto.

Please enter my application for ....shares of the Capital Stock of Peace River Petroleums Limited at Thirty-five cents a share (35c), fully paid up and non-assessable. Herewith I send you $..............................being the amount in full. Have shares issued for:

Name ....Address ....

Town ....Province ....

Make cheques, drafts, money order, etc., payable to W. C. Goffatt & Co. F.P.

WE OWN AND OFFER SHARES IN PEACE RIVER PETROLEUMS LIMITED

35c a Share

At 35 cents for each share of $1.00 par value (fully paid up and non-assessable). We reserve the right to withdraw this issue or raise the price of shares without notice.

$ 35.00	Buys	100	Shares
$ 70.00	"	200	"
$ 175.00	"	500	"
$ 350.00	"	1000	"
$1750.00	"	5000	"

Send in your application to-day—simply fill in the form attached and mail with cheque to

W. C. GOFFATT & CO.,

Financial Agents
10-12 King St. East, Toronto, Canada

PHONE MAIN 13 FOR FURTHER INFORMATION

Prospectus and map showing holdings of Peace River Petroleums Limited will be gladly sent on request.